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Uniform Classification of Accounts for Natural Gas Companies

PUBLISHED BY
NATIONAL ASSOCIATION OF RAILROAD AND UTILITIES COMMISSIONERS
JAMES B. WALKER, *Secretary*
270 MADISON AVENUE
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Uniform Classification of Accounts for Natural Gas Companies

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Prepared and submitted by the Committee on Statistics and Accounts of Public Utility Companies of the National Association of Railroad and Utilities Commissioners, and recommended for Adoption by State Commissions by said National Association at its Annual Convention held in Charleston, South Carolina, November, 1930.

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UNIFORM CLASSIFICATION OF ACCOUNTS FOR NATURAL GAS UTILITIES

General Instructions

Natural Gas Utility.

In this classification of accounts the terms "Natural Gas Utility" and "Utility" mean any "PUBLIC SERVICE CORPORATION," engaged in producing and selling natural gas or natural gas commingled with manufactured gas within any state. It includes every corporation, join stock company, association, their lessees, assignees, trustees, receivers, or other successors in interest; and any individual, partnership, or association engaged in the natural gas business.

The expression "the utility" as used herein means in each instance any natural gas utility that is required to keep the accounts prescribed in this classification.

1. Accounts to be Kept by Double Entry Method.

   All the accounts (other than purely statistical accounts) defined in this classification must be kept by the double entry method.

2. Account Numbers not a Part of Title.

   The numbers prefixed to account titles in this classification are solely for convenience of reference and are not part of the titles or definitions.

3. Accounting Period.

   It is recommended that each natural gas utility select the month as its accounting period and that it make its bookkeeping entries on a monthly basis. It may, however, select a quarterly basis if that will better meet the conditions under which it conducts its business. Each utility will be required to close its books at the end of the fiscal year for which it makes its annual report.

4. Records.

   Each natural gas utility shall so keep its general accounting books and all other books and records which support in any way the entries to such accounting books that it can furnish at any time full information as to any account kept by it. Moreover, it shall support each entry to each account with such detailed information as will enable a ready identification and verification of the facts recorded therein.

   The books referred to herein include not only books of accounts in a limited technical sense, but all other records, such as minute books and stock books, which will be useful in developing the history of any of the utility's transactions.

   A utility shall not open an account, except as noted in the following paragraph, which is not prescribed in this classification until it has obtained permission to do so from the regulatory body.

   Any utility may subdivide any balance sheet, fixed capital, income or surplus account in order to procure information which it may desire for its own use, provided that in doing so it does not impair the integrity of any of the accounts prescribed.

5. CLASSIFICATION OF UTILITIES BY REVENUE.

For the purpose of this classification of accounts natural gas utilities are divided into four classes as follows:

Class A—Utilities having average annual operating revenues from the gas business exceeding $1,000,000.00.

Class B—Utilities having average annual operating revenues from the gas business exceeding $250,000.00, but not over $1,000,000.00.

Class C—Utilities having average annual operating revenues from the gas business exceeding $50,000.00, but not over $250,000.00.

Class D—Utilities having average annual operating revenues from the gas business of $50,000.00 or less.

In order that frequent changes in the classification may be avoided, the class to which a natural gas utility belongs may be determined by the average of its annual operating revenues for the three years next preceding the date as of which its classification is to be determined. If at the close of any fiscal year following, the average of its annual operating revenues for the three next preceding years is greater than the maximum for the class in which the utility has been grouped, it shall automatically be grouped with the higher class in which it falls by virtue of such increased annual operating revenues.

Utilities engaged in new enterprises, the annual operating revenues from which are not known in advance, shall be classed in accordance with a reasonable estimate of their prospective operating revenues.

The primary accounts are expanded and subdivided as will be indicated to meet the needs of each class. No separate definitions are stated for accounts which are thus divided, but the content of such accounts is to be found in the definitions of the final subdivisions. When such subdivisions are kept as primary ledger accounts it will not be necessary to keep also the account which has been subdivided.

Each utility shall keep, so far as they are applicable to its business, at least the accounts provided for the class to which it belongs. Any utility may, however, keep any or all of the accounts of the more extended schemes provided for those utilities which are in higher revenue classes. If desired further refinements or extensions of the scheme of accounts to meet the needs of individual utilities may be made by subdividing the accounts herein established, provided that the integrity of the required accounts is not impaired.

Each title in a condensed classification is to be understood to comprise the titles following it for a more expanded classification. The letter "B" following the title denotes that at least the accounts so indicated must be kept by utilities in Class "B," so far as they are applicable to its business. Accounts that are to be kept as primary accounts by more than one class of utilities are indicated by affixing the letters of all the classes which are required to keep such accounts.

The above classification is merely suggestive and each state commission may change such classification as may be deemed proper.

6. AFFILIATED COMPANIES.

In this classification affiliated companies include those companies which the utility solely or jointly controls; those companies which solely or jointly control the utility; those companies that are controlled by companies which the utility controls; those companies which are controlled by companies which control the utility.

April 2, 1951 DA/HSD

7. CONTROL.

Control means the ability to determine the action of a company. Such control is sole when it rests in one company. It is joint when it rests in two or more companies and is exercised under a joint arrangement.

8. FORMS OF CONTROL.

One company may exercise control over another through its title to a major portion of the voting securities of such company; through an agreement which enables it to name the majority of the directors, managers or trustees of such company; through its ability to foreclose a first lien mortgage on all or a major part in value of the property of such company; through its advance for construction, equipment, additions, or betterments, made to such company and conditioned upon the right to determine its action; through any other right that it may possess to influence the policy of such company in any respect.

A leasehold interest in property of a company is not a form of control over that company.

9. ACCOUNTS AS FACTORS IN RATE MAKING.

In prescribing this system of accounts, the commission does not bind itself to approve any item set out in any account either as to amount or character for rate making purposes. The classification of accounts is designed to set out the facts in connection with the utility's fixed capital, income, expenses, and all other transactions, and the commission, when engaged in making or approving rates, will determine from the facts in each case, just what consideration shall be given to the various items in the several accounts.

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STANDARD FORM OF BALANCE SHEET

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BALANCE SHEET ACCOUNTS

General Instructions and Definitions

1. Balance Sheet Accounts Defined.

By balance sheet accounts are meant those titles under which the ledger accounts are combined and summarized to show the assets, liabilities and surplus or deficit of an enterprise at a given time. Where the title and definition of a balance sheet account clearly indicate that it is a summary of other accounts, it is not required that a special ledger account shall be raised under such title to include the balances from the accounts usually carried on the ledger.

2. Form of Balance Sheet.

The standard form of balance sheet is shown on pages 4 and 5. Certain of the terms there used are defined, for the sake of greater clearness, in the following paragraphs.

3. Current Assets.

Current assets are those assets that are readily converted into money or capable (in the case of materials and supplies) of being used in operation or construction.

4. Investments.

Investments represents the relatively permanent employment of property for the purpose of directly or indirectly producing revenue. Investment in permanent assets devoted to the undertakings for which the accounting company is primarily organized is called fixed capital investment or simply *fixed capital.* Property in the form of assets necessary to the conduct of the accounting company's operations of which the individual items are subject to frequent change is sometimes said to represent an investment in *working capital.* Investments may also be of property segregated in special funds; of property devoted to the use of affiliated corporations; or of property not devoted to the undertakings for which the accounting company is primarily organized, as more specifically defined in account No. 122, "Miscellaneous Investments." *Encumbered investments* are those held subject to a lien or other encumbrance of some character. *Unencumbered investments* are those held free from all encumbrances.

5. Funds.

Funds are assets, usually those capable of ready conversion into cash, set aside in the hands of trustees or otherwise restricted to specific uses.

6. Suspense Accounts.

Suspense accounts are accounts in which may be carried any expenditure, the appropriate disposition of which is not yet determined, or any loss which may properly be spread over a period of time, or any other debit which may be amortized through charges made to expense or other income accounts at intervals over a period of time; credit items, the final disposition of which is not yet determined, may also be carried in suspense under account No. 261, "Miscellaneous Unadjusted Credits."

7. Adjustment Accounts.

Adjustment accounts are accounts in which may be carried debits that offset certain liabilities but which it is not desirable, as a matter of bookkeeping conveniences, to charge against the liability accounts concerned.

8. Current Liabilities.

Current liabilities are those which are definitely determined in amount and are either matured at the date of the balance sheet or become due within a year from date or upon demand of the creditor.

9. Accrued Liabilities.

Accrued liabilities are those not yet due, but which are to become due in the near future and which accrue or grow from day to day, such as unmatured interest, rents, taxes and similar items. Credits to accounts representing accrued liabilities whose amounts are not definitely known, as in the case of many taxes, are made on the basis of estimates which are adjusted when the proper amounts become known.

10. Reserves.

Reserves are credit accounts created through arbitrary or estimated charges made to provide wholly or in part for matters to be later determined.

11. Discount and Premium on Capital Stock.

Ledger accounts shall be provided to cover the discounts and premiums on each class of capital stock issued or assumed by the accounting company. The total of the net debit balances remaining in these several accounts shall be included in account No. 141, "Discount on Capital Stock," and the total of the net credit balances in account No. 202, "Premium on Capital Stock."

By the term *discount* is meant the excess of the par value of stocks actually issued or assumed (and accrued dividends, if any, expressed in the contract of sale) over the actual cash value of the consideration received for such stocks. By the term *premium* is meant the excess of the actual cash value of the consideration received for stock issued or assumed over the par value of such stock (and accrued dividends, if any).

Entries in these accounts representing discounts shall be carried therein until offset (1) by premiums realized on subsequent sales of the same class of stock, (2) by assessments levied on the stockholders, (3) by appropriations from surplus for that purpose, or (4) by charges to Profit and Loss upon reacquirement of the stock. Entries in these accounts representing premiums realized shall be carried therein until offset (1) by discount suffered on sales of the same class of stock, or (2) by credits to Profit and Loss upon reacquirement of the stock. In case the accounting company is permitted and elects to distribute all or any part of the net premium on its capital stock to its stockholders, the amount thus distributed shall be charged to the premium account.

For the purpose of this classification the premium realized at the sale of capital stock shall not be considered a profit and loss item except upon reacquirement of the stock sold.

In no case shall discount on capital stock be charged to or included in any account as a part of the cost of acquiring any property, tangible or intangible, or as a part of the cost of operation.

When any stock which has been actually issued to *bona fide* holders for value is reacquired a proportion of the balance remaining in the accounts covering discount and premium on stock of the class reacquired shall be credited or charged, as may be appropriate, to Profit and Loss. Such proportion shall be based upon the ratio of the par value of the stock reacquired to the par value of all the stock of the same class actually outstanding immediately before such reacquirements. This does not apply to the purchase of securities solely for special funds in which the utility carries at cost instead of par value securities issued or assumed by itself.

In case the premium or discount realized at the prior sale of the stock reacquired has been included in an asset account other than the premium and discount account, such asset account shall be concurrently adjusted through Profit and Loss to the extent of the premium or discount previously included therein with respect to the shares reacquired.

In case the reacquired securities are without par value the accounting shall be in accordance with Note B of account No. 201, "Capital Stock," and adjustments shall be made on that basis.

12. DISCOUNT, EXPENSE AND PREMIUM ON LONG TERM DEBT.

Ledger accounts shall be provided to cover discounts, expense and premiums at the sale of each class of long term debt (including receiver's certificates) issued or assumed by the accounting company. The total of the net debit balances remaining in these several accounts shall be included in account No. 131, "Unamortized Debt Discount and Expense," and the total of the net credit balances in account No. 253, "Unamortized Premium on Debt."

By the term *discount* is meant the excess of the par value of the securities issued or assumed and the accrued interest thereon, over the actual cash value of the consideration received for such securities. By the term *premium* is meant the excess of the actual cash value of the consideration received for securities issued or assumed over the par value of such securities and the accrued interest thereon.

By the term *expense* is meant all expenses in connection with the issue and initial sale of evidences of debt, such as fees for drafting mortgages and trust deeds; fees and taxes for issuing or recording mortgages and trust deeds; cost of printing bonds, certificates of indebtedness, and other commercial paper having a life of more than one year; fees paid trustees acting under mortgages and trust deeds; fees paid for legal services to trustees relative to mortgage securities; fees and commisisons paid underwriters and brokers for marketing such evidences of debt; and other like expense.

Each month (or other accounting period) there shall be charged to income account No. 463, "Amortization of Debt Discount and Expense," a proportion (based upon the ratio of such fiscal period to the remaining life of the respective securities) of each of the debit balances in these accounts, and correspondingly there shall be credited to income account No. 464, "Amortization of Premium on Debt—Cr.", a similar proportion of each of the credit balances in these accounts.

When any long term debt which has been actually issued to *bona fide* holders for value is reacquired by the accounting company a proportion of the balance remaining in the accounts covering discount, expense, and premium on long term debt of the class of security reacquired shall be credited or charged, as may be appropriate, to Profit and Loss. Such proportion shall be based upon the ratio of the par value of the security reacquired to the par value of all the securities of the same class actually outstanding immediately before such reacquirements. This does not apply to the purchase of securities solely for special funds in which the utility carries at cost instead of par value securities issued or assumed by itself.

In case, however, the premium or discount realized at the prior sale of the securities reacquired has been included in a balance sheet account other than the premium or discount account, such account shall be concurrently adjusted through Profit and Loss to the extent of such excess of the premium or discount previously included therein with respect to the securities reacquired.

13. CONTINGENT ASSETS AND LIABILITIES.

Contingent assets and liabilities shall not be included in the body of the balance sheet statement. Whenever the balance sheet is stated, however, contingent assets and liabilities, if any, should be shown in detail in a supplementary statement. Contingent assets represent possible sources of value contingent upon the fulfillment of conditions regarded as uncertain. Contingent liabilities include items which may, under certain conditions, become obligations of the utility, but are neither direct nor assumed obligations at the date of the balance sheet.

TEXT PERTAINING TO BALANCE SHEET ACCOUNTS

Assets and Other Debits

101. Fixed Capital.

This account shall include the cost of property having an expectation of life in service of more than one year which is devoted to public service operations conducted by the accounting company, less deductions for property abandoned, sold, or otherwise retired.

Separate subdivisions shall be used for each distinct class of operations conducted by the accounting company, as, for example, "Fixed Capital—Electric," "Fixed Capital—Gas." If, however, the accounting company conducts two or more separate and distinct classes of operations, as in the case of a company having both an electric and a gas department, expenditures chargeable to such fixed capital accounts as "Land," "Organization," "General Structures," "Engineering and Superintendence," and similar accounts, which are not assignable to a particular department or kind of operation, may be shown in a subdivision having the title "Fixed Capital—general." The foregoing shall not be construed to prohibit the apportionment of such expenditures between departments on a sound accounting basis, provided this basis is clearly stated in the accounting company's public reports.

102. Investments in Other Physical Property.

Charge to this account the cost of land, structures and equipment owned by the utility but not used in rendering public service of any kind.

111. Cash.

This account shall include all money coming into the possession of the utility in which it has a beneficial interest. This covers coin of the United States, United States treasury notes, gold and silver certificates and greenbacks, and bank bills payable to bearer on demand; also all bank credits, checks and drafts receivable subject to satisfaction or transfer upon demand (whether payable to bearer or to order).

112. Notes Receivable.

This account shall include all notes and bills receivable which are the property of the utility and upon which solvent concerns or individuals are liable. This account does not include notes coming within the definition of "Investments in Affiliated Companies," or "Miscellaneous Investments."

113. Accounts Receivable.

This account shall include all amounts (other than deposits in banks) owing to the utility on accounts with solvent concerns and individuals; also all accounts and claims upon which responsibility is acknowledged by solvent concerns and individuals or which are sufficiently secured to be considered good and of all judgments against concerns where the judgment is not appealable or suspended through appeal. This account does not include negotiables.

Note—The record of accounts receivable shall be kept in such manner as to permit the ready segregation of the three groups: (a) customers' accounts, (b) accounts with affiliated companies, and (c) miscellaneous accounts receivable.

Assets and Other Debits

114. Interest and Dividends Receivable.

This account shall include the amount of interest accrued to the date of the balance sheet on funded and unfunded securities, loans, accounts, mortgages and deposits held by or for the utility; dividends declared on stocks similarly held, and dividends accrued on stocks, when contracts require that the dividend be paid at stated times.

Note—No amount representing interest or dividends receivable shall be included in this account unless its payment is reasonably assured by past experience, anticipated provision, or otherwise. But the definition of this account should not be construed to prevent the carrying of interest and dividends receivable in a suspense account until collection has actually been made, even though the debtor be considered to be solvent.

115. Marketable Securities.

This account shall include the cost or book value of marketable securities (other than those issued or assumed by the utility) held in its treasury unpledged and free for sale and not necessary or desirable for it to hold for the purpose of maintaining the integrity of its business or operations. Securities which may not readily be sold at their fair value should be classed as "Miscellaneous Investments" and included in account No. 122, "Miscellaneous Investments."

Records shall be kept which will permit ready analysis of the balance in this account to show separately:

a. Stocks
b. Bonds
c. Long term notes (not classified as "Notes Receivable," properly includible in account No. 112, "Notes Receivable")
d. Miscellaneous

116. Materials and Supplies.

This account shall include the balances representing the cost (including transportation, insurance and inspection charges, customs duties, and other costs) of all materials and supplies not charged out in the utility's accounts, regardless of whether the same are intended to be consumed in construction or in operation or later to be sold. Trade or cash discounts allowed in connection with the purchase or the payments for materials and supplies shall be credited to the particular bills on which such discounts are allowed or to account No. 868, "Discount on Materials and Supplies—Cr.," when not practicable to credit to the particular bills.

The cost of materials and supplies includes all specifically assignable transportation charges incurred in obtaining the delivery of such materials and supplies upon the premises of the purchaser and the cost of any special tests made thereon prior to their acceptance. There may also be charged to this account for handling costs a proper proportion of stores expenses carried in accounts Nos. 873, "Stores Labor," 878, "Stores Supplies and Expenses," 883, "Maintenance of Stores Structures," and 887, "Maintenance of Stores Equipment."

When any materials or supplies, the cost of which has been charged to this account, are issued for use the amount at which they stand charged herein should be credited to this account and charged to the proper construction, operating expense, or other account.

The scrap or salvage value of things retired from service shall be charged to appropriate sub-accounts in this account while such things remain the property of the utility; if such salvage value is not known and can not be determined it shall be estimated.

Inventories of materials and supplies shall be taken at least annually, and any shortage or overage disclosed by such inventories shall be credited or debited to this account and concurrently debited or credited to operating expense, fixed capital or other appropriate accounts.

NOTE A—It is not required that the transportation and other elements of cost shall be assigned with a greater degree of accuracy than to the nearest cent per unit of materials and supplies. Where a single transportation item covers a multitude of things the portion of the expense not assigned to specific things should be charged to account No. 867, "Undistributed Adjustments."

NOTE B—If an appliance sold is for any reason returned to the utility it should be charged to the appropriate sub-account at its appraised value. Cost of repairing or renovating it should be charged to the same sub-account. Appropriate adjustments should be made in accounts credited with the original sale.

NOTE C—If the utility conducts its merchandise business as a separate department, it shall keep a sub-account for materials and supplies for sale.

117. PREPAYMENTS.

This account shall include the debit balances described under the following sub-heads:

a. Prepaid Taxes. Charge this account with the amount of taxes paid in advance of the period to which such taxes apply. At regular accounting intervals this account shall be credited and the appropriate tax account charged with the amount of taxes applicable to such interval.

b. Prepaid Rents. The amount of rents paid in advance of the enjoyment of the term. As the term is consumed, this account shall be credited at regular accounting intervals and the appropriate rent account debited with the amount applicable to the period.

c. Prepaid Insurance. The amount of premiums on insurance policies paid in advance of their accrual. As such premiums accrue they should be credited at regular accounting intervals to this account and charged to the appropriate operating expense or other account.

d. Miscellaneous Prepayments. Prepayments made for any purpose other than as provided for in the three preceding heads.

NOTE—By the accrual of insurance, rents, and taxes is meant their accumulation when considered as spread uniformly over the period to which they apply. Thus, if the rent fixed by contract of lease for a certain property is $600.00 for a calendar year, this accrues at the rate of $50.00 each month (unless it is desired to base the accruals on days, when the varying

lengths of the months would require to be considered), regardless of the actual times when the rent matures; $50.00 should thus (if the rent has been prepaid) be credited each month to the sub-account "Prepaid Rents" and concurrently charged to an operating expense or other appropriate account. Similarly in the case of other prepayments.

118. SUBSCRIPTIONS TO CAPITAL STOCK.

This account shall be charged with subscriptions received for capital stock. The amount expressed in the entry charging this account shall be determined in accordance with the subscription agreement. Concurrently, there shall be credited to account No. 203, "Capital Stock Subscribed," an amount representing the stock subscribed as stipulated in the subscription agreement. Payments received from subscribers shall be credited to this account.

119. MISCELLANEOUS CURRENT ASSETS.

This account shall include the cost of all current assets which are not includible under any of the foregoing accounts. (See "Balance Sheet Accounts —General Instructions and Definitions.")

121. INVESTMENTS IN AFFILIATED COMPANIES.

This account shall include the cost of the utility's investment in securities or non-negotiable notes issued or assumed by affiliated companies; also of its investment advances to such companies. Two companies are affiliated if either one controls the policy of the other or if both are subject to the same control. By "investment advances" are meant debit balances in accounts with affiliated companies not subject to current settlement and interest accrued on such accounts when such interest is not subject to current settlement. This account shall be sub-divided as follows:

a. Stocks
b. Bonds
c. Notes
d. Advances

NOTE A—Accounts with affiliated companies which are subject to current settlement such as charges for materials and supplies currently furnished, labor performed, services rendered, repairs to equipment and other items, shall be classed as current assets or current liabilities as may be appropriate.

NOTE B—Securities borrowed by the utility and pledged should not be included in this account.

NOTE C—Securities pledged for purposes other than that of security for long or short term debt of the utility should be included in account No. 123, "Sinking Funds"; account No. 124, "Replacement Fund"; account No. 125, "Miscellaneous Special Funds"; or account No. 126, "Special Deposits," as may be appropriate.

122. MISCELLANEOUS INVESTMENTS.

This account shall include the balances in accounts representing miscellaneous investments such as those in securities of non-affiliated corporations, in tangible property of a permanent nature not coming within the definition of fixed capital, as, for example, real estate leased to others or held for a rise in value, provided such investments are not included in any special fund.

The utility's records shall be kept in such manner as to permit the ready analysis of this account to show separately in the utility's annual reports full particulars concerning its investments of any given class, including the cost of those which are held subject to a mortgage, pledge, or other lien.

123. SINKING FUNDS.

This account shall include the amount of cash, the cost of securities of other companies, and other assets which are held by trustees of sinking funds for the purpose of redeeming outstanding obligations, including such assets so held by the utility when they are segregated in a distinct fund; also amounts deposited with such trustees on account of mortgaged property sold, when the proceeds of such sale are to be held for the redemption of securities; and the cost of live securities issued or assumed by the utility and held in such funds. A separate account shall be kept for each fund and the title of each fund should designate the obligation in support of which the fund was created and is maintained.

NOTE—Should the constituents of a sinking fund change substantially in value, and if such change seem likely to be permanent, it may be reflected by suitable entries in this account and in the corresponding reserve account or in "Profit and Loss" as may be appropriate.

124. REPLACEMENT FUND.

If the utility desires, or is required, to segregate in a special fund the assets or any part of the assets represented by the "Retirement Reserve" the cost of such assets shall be included in this account.

125. MISCELLANEOUS SPECIAL FUNDS.

This account shall include the amount of cash and the cost of securities of other companies and other assets in insurance, employees' pensions, savings, relief, hospital and other funds which have been created and specifically set aside or invested for purposes not provided for elsewhere; also the cost of securities issued or assumed by the utility and held in such funds. A separate account shall be provided for each fund.

126. SPECIAL DEPOSITS.

This account shall include the debit balances described under the following sub-heads:

a. Coupon Special Deposits. All moneys and bank credits specifically deposited in the hands of fiscal or other agents of the utility for the payment of interest coupons when presented. Such coupons when paid from such

deposits shall be credited to this account and charged to the appropriate matured interest account. Payments to trustees (or other agents of the holders of bonds or other securities) of the interest accrued on such securities which operate under the terms of the securities (or of mortgages supporting such securities) as a release of the paying corporation from further liability for such interest shall not be charged to this account but to the appropriate "Interest Accrued' 'account.

b. Dividend Special Deposits. All moneys and bank credits specifically deposited in the hands of the fiscal or other agents of the utility for the payment of dividends upon its stocks. Such dividends when paid from such deposit shall be credited to this account and charged to the appropriate dividend account.

c. Miscellaneous Special Deposits. All moneys and bank credits deposited in the hands of fiscal or other agents of the utility for other special purposes than the payment of interest coupons and dividends. Charges to this account shall specify the purpose for which such deposit is made. When such purposes are satisfied, this account shall be credited with the amount specifically deposited to provide such satisfaction.

NOTE—This account shall not include any assets available for general corporate purposes.

131. UNAMORTIZED DEBT DISCOUNT AND EXPENSE.

This account shall include the total of the net debit balances representing the discount and expense in connection with the issuance of each class of the utility's long term debt. (See "Balance Sheet Accounts—General Instructions and Definitions.")

132. PROPERTY ABANDONED.

This is a suspense account which shall include the retirement loss (i. e., the cost, estimated if not known, plus cost of dismantling, less salvage) on property destroyed or abandoned because of extraordinary replacement, obsolescence, casualty, or other reason, when such loss has not been provided for in advance through a reserve. Amounts thus charged should be amortized through annual or more frequent charges over a definitely determined period to the appropriate reserve accounts. Sub-accounts shall be provided for tangible and intangible capital.

133. JOBBING ACCOUNTS.

This account shall include the balances in accounts with customers or others for jobbing work not completed at the date as of which the balance sheet is stated. Such accounts, when work is completed and charges made, shall be cleared by charges to accounts receivable.

134. CLEARING OR APPORTIONMENTS ACCOUNTS.

This account shall include the balances in accounts maintained to carry temporarily the cost of operating such facilities as garages, stables, storehouses, and other facilities, and also overhead or burden costs such as it is desirable shall be apportioned over the construction and operating accounts involved.

The charges to operating accounts and the credits to these accounts should, unless there is some good reason to the contrary, be so distributed that the costs for any one year will be absorbed by the transactions occurring during that year.

135. WORK IN PROGRESS.

This account shall include the total of the balances in open "work order" or "job order" accounts for work in progress, or in suspense accounts to which the cost of construction or maintenance work is temporarily charged pending its final distribution to the appropriate fixed capital or operating expense accounts.

NOTE—Charges for additions to fixed capital not involving replacements, or for improvements which necessitate retirements or reconstruction of existing property when full credits have been made in advance to fixed capital accounts to cover the cost of property retired, may be carried in fixed capital account No. 369, "Unfinished Construction."

136. MISCELLANEOUS SUSPENSE.

This account shall include all debits not elsewhere provided for, the proper final disposition of which is uncertain. This will include the cost of tentative or preliminary surveys, designs, and investigations made for determining the feasibility of projects under contemplation. If the project is thereafter definitely undertaken, such amount shall be credited to this account and charged to the proper work order, fixed capital, or other account. If the project is abandoned, the cost of the preliminary investigation shall be charged to the appropriate operating expense or other account. Whenever the proper disposition of any matter charged to this account is determined, it shall be credited to this account and charged to the appropriate account.

137. NON-PRODUCTIVE WELL DRILLING EXPENSE.

Charge to this account the cost of labor employed, materials and supplies consumed, and expenses incurred by the utility in drilling for gas which results in dry holes or non-productive wells.

The losses registered in this account shall be amortized over a period of years by charges to account No. 404-A, "Extraordinary Retirements."

141. DISCOUNT ON CAPITAL STOCK.

This account shall include the total of the net debit balances representing the discount on capital stock issued or assumed by the utility. (See "Balance Sheet Accounts—General Instructions and Definitions.")

142. RACQUIRED SECURITIES.

When securities, whether debt or stocks, have been actually issued by the utility to *bona fide* holders for value (or after such issue by another corporation have been assumed by the utility) and after such issue (or assumption) have been acquired by the utility under circumstances which require that they shall not be treated as paid or retired, they shall be charged at face

value to this account. If the price at which such securities have been reacquired is greater or less than the par or face value, the difference shall be adjusted through Profit and Loss or through the appropriate discount or premium account.

NOTE A—This account shall not include securities that are merely guaranteed.

NOTE B—This account shall not include any securities held in sinking and other reserve funds.

NOTE C—In case the reacquired securities are without par value the accounting shall be in accordance with Note B of account No. 201, "Capital Stock," and adjustments shall be made on that basis.

143. TREASURY SECURITIES.

This account shall include the par value of securities which have been nominally but not actually issued by the utility. For definition of the term "Nominal Issue" see Note A under account No. 201, "Capital Stock," and Note B under account No. 211, "Long Term Debt."

150. PROFIT AND LOSS—DEFICIT.

Under this account shall be shown the debit balance, if any, in the Profit and Loss account. (See "Profit and Loss Accounts—General Instructions and Definitions.")

201. CAPITAL STOCK.

This account shall include the items described under the following subheads:

A. Full-Paid Stock. This covers the total par value of stocks or receipts issued to represent permanent full-paid interests in the utility, or interests which, if terminable, are so only at the option of the utility. By "full-paid interest" is meant an interest in which the full amount of the subscription has been paid in.

B. Stock Liability for Conversion. This covers the utility's liability under agreements to exchange its capital stock for the outstanding securities of companes whose physical property has been acquired under such agreements, but whose securities have not yet been surrendered for exchange.

The records shall be so kept that stocks of different classes may be separately shown. The following is the most important classification of stock:

(a) Common Stock: Stock which has no preference in the distribution of dividends.

(b) Preferred Stock: Stock having preference in the distribution of dividends.

(c) Debenture Stock: Stock issued under a contract to pay a specified return at specified intervals.

Preferred stock may be either classified as *first preferred* or *second preferred;* or as *cumulative* or *non-cumulative;* or as *participating* or *non-participating. First preferred stocks* are those which have the first claim upon such dividends as may be distributed; a claim upon dividends taking precedence over the claim of common stock but inferior to the first preferred stock may be represented by *second preferred stock,* and so on. Stock is *cumulative* if the amount by which the dividend at any dividend period fails to reach a stipulated dividend rate is carried forward to continue as a claim upon the dividend fund until satisfied. Stock is *non-cumulative* if such amount lapses. Stock is *participating* if it is not limited to a stipulated rate in the amount of dividends which it may receive but is entitled to participate, in accordance with the terms of the contract under which it is issued, in further dividends. It is *non-participating* if it is limited to a stipulated rate.

Stocks may differ also with respect to voting provisions and conditions under which they may be retired. A separate ledger account should be maintained for each class of stock issued, and no two stocks shall be considered of the same class unless they are equal in their interest or dividend rights, their voting rights, and the conditions under which they may be retired. The characteristics of any class of stocks in these three regards shall be designated in the title of the account raised to cover such stocks and shall be clearly expressed in the first entry of such account. To the account for any class of stocks shall be credited, when issued, the par value of the amount of stock of that class issued. If such issue is for money, that fact shall be stated; and if for any other consideration than money, the person to whom issued shall be designated and the consideration for which issued shall be described with sufficient particularity to identify it; if such ssue is to the treasurer or other agent of the corporation to be by him disposed

of for the benefit of the corporation, that fact, and the name of such agent, shall be shown; and such agent shall, in his account of the disposition thereof, show the like details concerning the consideration realized thereon, which account, when accepted by the corporation, shall be preserved as a corporate record. If the fair cash value of the consideration realized upon the issue of any amount of stock is greater than the par value of such stock and accrued dividends, if any, expressed in the contract of issue, the excess shall be credited to account No. 202, "Premium on Capital Stock," and corresponding reference thereto shall be contained in the entry relating to such stock in the stock account.

For each class of stock the records shall also show plainly the par value of (1) certificates issued and actually outstanding, being those not held by the utility, its agents or trustees, or subject to its control; and (2) certificates pledged and unpledged held in the utility's treasury by its agents or trustees, or otherwise subject to its control, including both those reacquired after actual issue and those nominally but never actually issued.

NOTE A—Capital stock is considered *nominally issued* when certificates are signed and sealed and placed with the proper officer for sale and delivery, or pledged, or otherwise placed in some special fund of the utility. It is considered to be *actually issued* when it has been sold to a *bona fide* purchaser for a valuable consideration, and such purchaser holds it free from all control by the utility. All capital stock actually issued and not reacquired by or for the utility is considered to be *actually outstanding.* If reacquired by or for the utility, under such circumstances as required it to be held alive and not cancelled or retired, it is considered to be *nominally outstanding.*

NOTE B—When stock without par value is issued the actual money value of the consideration realized from the issue should be credited to the account representing that particular class of stock.

202. PREMIUM ON CAPITAL STOCK.

This account shall include the excess of the actual money value (at the time of issue of the stock) of the consideration received for such issue over the par value of the amount of stock issued and accrued dividends, if any, expressed in the contract of issue. If the stock is issued by the corporation to its treasurer or other agent, the excess of the actual money value of the consideration obtained by such agent in exchange for such stock over the par value and accrued dividends thereof shall be considered the premium realized. A separate ledger account shall be maintained for each class of stock as distinguished according to the text of account No. 201, "Capital Stock." Entries in these accounts shall be carried therein until offset by credits to Profit and Loss upon reacquisition of the stock or by credits to Cash or similar account if the corporation distributes to its stockholders all or any part of the premium realized on its stock.

203. CAPITAL STOCK SUBSCRIBED.

Subscriptions to capital stock shall be credited to this account. This account shall be charged when the subscriber has paid his subscription in full and is entitled to receive certificates representing the shares sub-

scribed. Concurrently, credits shall be made to account No. 142, "Reacquired Securities," or account No. 143, "Treasury Securities," if deliveries are made from capital stock so held. Otherwise, credit to the appropriate subdivision of account No. 201, "Capital Stock."

207. SOLE PROPRIETORSHIP. (Insert name of proprietor)

Credit to this account all contributions made to the utility by its proprietor and, at the end of each fiscal period, the net profits, if any, realized during such period. Charge to this account all withdrawals from the utility by its proprietor and, at the end of each fiscal period, the net loss, if any, suffered during such period.

208. PARTNERSHIP.

Credit to the account of each partner carried hereunder the contributions made to the utility by each partner and, at the end of each fiscal period, such partner's portion of the net profits, if any, realized during such period. Charge to each such account the withdrawals from the utility by each partner and, at the end of each fiscal period, such partner's portion of the net loss, if any, suffered during such period.

211. LONG TERM DEBT.

This account shall include the total par value of all debt except receiver's certificates and advances from affiliated companies (for which see below) which by the terms of its creation does not mature until more than one year after date of creation. This covers bonds, notes, mortgages certificates, and all other forms of acknowledgment of indebtedness.

The record shall be so kept that long term debt of different classes is separately shown. The most important classification is that based upon the nature of the lien or security as follows:

(a) Mortgage Bonds: Bonds secured by a lien on physical property and not includible in the other subdivisions of this account.

(b) Collateral Trust Bonds: Bonds and notes having a date of maturity of more than one year after date of issue, secured by a lien on securities or other commercial paper; also stock trust certificates that are similar in character to collateral trust bonds.

(c) Income Bonds: Bonds which are a lien on the utility's revenue alone, or bonds which, while being a lien on its property and franchises, can claim payment of interest only in case interest is earned.

(d) Equipment Obligations: Equipment bonds, equipment notes, or other obligations secured by lien on specific equipment.

(e) Miscellaneous Obligations: All long term obligations not provided for in the four preceding classes, including notes, unsecured certificates of indebtedness, debenture bonds, plain bonds, real estate mortgages executed or assumed, and other similar obligations maturing more than one year after date of issue.

(f) Receipts Outstanding for Long Term Debt: Receipts for payment on account of long term debt securities. When the securities are issued for amounts so paid, the face value shall be included in the account covering the class of funded debt for which the securities are issued.

Long term debt may differ also with respect to rates of interest, interest dates, and date of maturity. Separate ledger accounts shall be maintained for each class of long term debt and no two amounts of debt not agreeing in respect of all four of the characteristics above named shall be included in the same ledger account, except that parts of any long term debt issue agreeing in other characteristics but maturing serially may be treated as of the same class. The title of each ledger account for long term debt shall express the four characteristics above stated; that is to say, mortgage or other lien or security, rate of interest, dates of maturity of interest, and date of maturity of principal: as, e. g., "First Mortgage 5 per cent Q. February 10, August 10, 1958," which means a debt secured by the company's first mortgage, bearing interest at the rate of 5 per cent per annum, interest maturing quarterly on February 10, May 10, August 10, and November 10 of each year, principal maturing August 10, 1958.

For each class of long term debt the records shall also show plainly (1) the par value of certificates or other evidences of debt issued and actually outstanding, being those not held by the utility, its agents or trustees, or subject to its control; and (2) the par value of certificates or other evidences of debt pledged or unpledged held in the utility's treasury, held by its agents or trustees, or otherwise subject to its control; including both those reacquired after actual issue and those nominally but never actually issued.

NOTE A—Securities maturing one year or less from date of issue shall be included in account No. 221, "Notes Payable." Matured long term debt shall be included in account No. 226, "Matured Long Term Debt Unpaid."

NOTE B—Long term debt securities are considered to be *nominally issued* when certified by trustees and placed with the proper officer for sale and delivery, or pledged or otherwise placed in some special fund of the utility. They are considered to be *actually issued* when they have been sold to a *bona fide* purchaser for a valuable consideration and such purchaser holds them free from all control by the utility. All securities actually issued and not reacquired and held by or for the utility under such circumstances as require them to be considered as held alive and not cancelled or retired are considered to be *actually outstanding*. If reacquired by or for the utility, under such circumstances as require them to be considered as held alive and not cancelled or retired, they are considered to be *nominally outstanding*.

212. RECEIVER'S CERTIFICATES.

When any receiver, acting under the orders of a competent court, is in possession of the property of a utility, and under the orders of such court issues certificates of indebtedness chargeable upon such property, the par value of such certificates shall be included in this account.

NOTE—Separate sub-accounts shall be maintained for receiver's certificates which mature in more than one year and those which mature in one year or less from date of issue.

221. NOTES PAYABLE.

This account shall include the balances representing outstanding obligations in the form of notes, drafts, acceptances, or other similar evidences of

indebtedness payable on demand or within a time not exceeding one year from date of issue.

NOTE—Secured notes and time loans payable more than one year from date of issue shall be included in account No. 211, "Long Term Debt."

222. ACCOUNTS PAYABLE.

This account shall include the amount of audited vouchers or accounts and audited payrolls unpaid on the date of the balance sheet; also balances representing unclaimed wages and outstanding pay and time or discharge checks issued in payment of wages, open accounts with other companies, except such as are includible under account No. 241, "Advances from Affiliated Companies," and similar items.

223. CUSTOMERS' DEPOSITS.

This account shall include the amounts deposited with the utility by customers as security for the payment of bills. Deposits refunded shall be charged to this account and credited to "Cash"; or to account No. 125, "Miscellaneous Special Funds," if a special fund for such deposits is maintained. Deposits applicable to uncollectible bills shall, at the close of the fiscal year (or earlier, at the option of the utility) be credited to the account of the customer involved and debited to this account.

224. MATURED INTEREST UNPAID.

This account shall include the amount of matured and unpaid interest on debt of the utility except where such interest is added to the face of the principal, as is the usual case with judgments and sometimes with advances from affiliated companies.

225. DIVIDENDS DECLARED.

This account shall include the amount of any dividends which have been declared, but not paid. Dividends shall be credited to this account as of the day upon which they become a liability of the utility and when paid shall be charged to this account and credited to "Cash" or other suitable account.

226. MATURED LONG TERM DEBT UNPAID.

This account shall include the amount of long term debt matured and unpaid without specific agreement for extension as to time of payment, including unpresented bonds drawn for redemption through the operation of sinking and redemption fund agreements.

NOTE—Real estate mortgages whose nominal maturity has been reached but which, by mutual agreement between mortgagee and mortgager, are continued indefinitely, as obligations of the utility, need not be transferred to this account, but may continue to be carried in account No. 211, "Long Term Debt."

227. MISCELLANEOUS CURRENT LIABILITIES.

This account shall include the balances in all accounts representing current liabilities not specifically provided for in the foregoing accounts.

231. TAXES ACCRUED.

This account shall be credited during each accounting period with taxes accrued during such period, corresponding debits being made to the appropriate accounts for tax charges. As such credits will necessarily be based upon estimate, they should be adjusted from time to time during the year as the actual tax levies become known so that the appropriate tax charge accounts may show, as nearly as possible, the taxes aplicable to each year. When any tax is paid, it shall be charged to this account and credited to "Cash" or other suitable account.

NOTE—This account is not intended to be used for taxes paid in advance of the period to which they apply. Such items shall be handled under account No. 117, "Prepayments."

232. INTEREST ACCRUED.

This account shall include the amount of interest accrued to the date of the balance sheet, but not payable until after that date, on all indebtedness of the utility except where such interest is added to the face of the principal, as is the usual case with judgments, and sometimes with advances from affiliated companies. When such interest is paid, it shall be charged to this account and credited to "Cash" or other suitable account. Separate subaccounts shall be maintained for each item of indebtedness.

When interest matures without being paid, it shall be charged to this account and credited to account No. 224, "Matured Interest Unpaid." Payments to trustees (or other agents) of the holders of bonds or other securities of the interest accrued thereon which operate under the terms of the securities (or of mortgages supporting such securities) as a release of the paying utility from further liability for such interest shall be considered equivalent to payments of interest made directly to bondholders and such interest shall not be credited to "Matured Interest Unpaid."

The interest accrued upon any judgment against the utility shall not be credited to this account, but to the account to which such judgment stands credited.

233. MISCELLANEOUS ACCRUED LIABILITIES.

This account shall include the balances in all accounts representing accrued liabilities other than interest or taxes.

241. ADVANCES FROM AFFILIATED COMPANIES.

This account shall include the par value of non-negotiable notes due to affiliated companies, credit balances in accounts with such companies other than credit balances in credit accounts classable as current liabilities, and interest accrued on notes and accounts included in this account when such interest is not subject to current settlement. Two companies are affiliated if either one controls the policy of the other, or if both are subject to the same control.

This account shall be subdivided as follows:

a. *Notes*, including both time and demand notes;
b. *Accounts* not subject to current settlement;
c. *Interest* accrued on amounts included in this account when not subject to current settlement.

Accounts with affiliated companies which are subject to current settlement, such as charges for materials and supplies currently furnished, labor performed, services rendered, repairs to equipment, and other items, shall be classed as current assets or current liabilities as may be appropriate. Negotiable notes due to affiliated companies shall not be included in this account but in account No. 221, "Notes Payable."

250. RESERVE FOR AMORTIZATION OF INTANGIBLE CAPITAL.

To this account shall be credited such amounts as are charged to income accounts Nos. 404-B, "Amortization of Franchises, Patent Rights and Licenses," 404-C, "Amortization of Natural Gas Rights and Gas Leases," 404-D, "Amortization of Interest in Landed Capital," or are appropriated from surplus, or both, to cover the retirement losses resulting from the expiration of the utility's limited franchises, patent rights and licenses, limited rights of way and leaseholds, and interest in landed capital.

When the cost of any such item of capital has been completely amortized, charge to this account and credit to the account in which it is carried the amount of it. The accruals to this account are intended to cover primarily the retirement of the natural gas utility's leases. When such leases are operative, their cost shall not be amortized or charged against this account until such time as the wells located thereon have been abandoned and the lease surrendered.

The utility shall make no other charges to this account than those mentioned herein. It shall not divert any portion of the amount so reserved to surplus or make any other use thereof until it has been authorized to do so by the regulatory commission.

NOTE A—If the utility has, previous to the effective date of this classification of accounts, maintained a reserve under some other title, such as "Amortization of Other Capital Reserve," the balance in such reserve, as at the effective date of this classification, shall be transferred to this account.

NOTE B—Sub-accounts shall be used for each distinct class of public utility operations conducted by the accounting company, as, for example: "Reserve for Amortization of Intangible Capital—Gas," "Reserve for Amortization of Intangible Capital—Electric." This account shall not include reserve accruals for property included in account No. 102, "Investments in Other Physical Property."

251. RETIREMENT RESERVE FOR STRUCTURES AND EQUIPMENT.

To this account shall be credited such amounts as are charged to income account No. 403, "Retirement Expense," or other appropriate accounts, or appropriated from surplus, to cover the retirement losses represented by the excess of the cost, plus cost of dismantling, over the salvage value of structures and equipment retired from service. This includes those extraordinary losses sustained by such structures and equipment by obsolescence and inadequacy due either to age, physical change, or supersession resulting from new inventions, discoveries, change in popular demand, or requirements of public authority; those losses which result from the destruction of

such structures and equipment by those extraordinary casualties to which the principles of insurance are not applicable; and those losses which will result from the exhaustion of the utility's supply of natural gas.

When any fixed capital is retired from service the cost thereof (estimated if not known, and where estimated, the facts on which the estimate is based should be stated in the entry) shall be credited to the proper fixed capital account and charged, plus the cost of retirement, less salvage, to this account. If the credit balance in this account is insufficient to cover the retirement loss, the excess over the balance contained in the reserve should be charged to account No. 132, "Property Abandoned," or other appropriate account.

The utility is restricted in its use of the amount which it has reserved for retirements to the application of it to the recovery of those losses mentioned in this account which are suffered by its structures and equipment used in the public service. Moreover, the utility shall make no other charges to this account than those mentioned herein. Finally, it shall not divert any portion of the amount reserved for retirements to surplus or make any other use thereof until it has been authorized to do so by the regulatory commission.

NOTE A—When property is retired whose ledger value has been reduced below cost, only the remaining ledger value shall be written off as retirement loss.

NOTE B—When any property is retired whose ledger value is greater than the known or estimated cost, such excess shall be charged to "Profit and Loss."

NOTE C—If any property is sold for more than its cost, the excess of its selling price over the cost of the property plus the cost of dismantling and selling, shall be credited to "Profit and Loss."

NOTE D—If the utility has, previous to the effective date of this classification of accounts, maintained a reserve under some other title, such as "Depreciation Reserve," the balance in such reserve as at the effective date of this classification shall be transferred to this account.

NOTE E—Sub-accounts shall be used for each distinct class of public utility operations conducted by the accounting company, as, for example: "Retirement Reserve for Structures and Equipment—Gas," "Retirement Reserve for Structures and Equipment—Electric." This account shall not include reserve accruals for property included in account No. 102, "Investments in Other Physical Property."

252. CASUALTY AND INSURANCE RESERVE.

When any admitted liability arises because of loss or damage to the property of others, or of injuries to employees or other persons, the amount of liability may (if not previously provided for by insurance or self-insurance) be charged to the appropriate operating expense or other accounts and credited to this account against which (in such case) the actual cost of satisfaction of the liability shall be charged when the matter is determined. If the extent of the liability cannot be ascertained promptly after the lia-

bility arises, it may be estimated as accurately as practicable for the purpose of determining the immediate charge to the expense or other appropriate account, in which case the matter shall be adjusted when the extent of the liability is definitely ascertained. If the loss is of such character that it is in whole or in part indemnifiable under any contract of insurance carried by the utility, the indemnifiable portion of the loss shall be charged to the insurer and credited to "Casualty and Insurance Reserve." This account shall also include the amounts charged to the operating expense account "Insurance" to cover self-carried risks.

253. UNAMORTIZED PREMIUM ON DEBT.

When long term debt securities or other evidences of indebtedness are disposed of for a consideration whose cash value (exclusive of accrued interest) is greater than the par value of such securities or other evidences of indebtedness, the excess of such cash value of the consideration received over the par value of the securities or other evidencs of indebtedness shall be credited to this account. At regular accounting intervals thereafter a proper portion of such premium, based upon the life of the security or other evidence of indebtedness to maturity, shall be charged to this account and credited to account No. 464, "Amortization of Premium on Debt—Cr.," in the income account.

254. SINKING FUND RESERVES.

This account shall include the net balances in accounts to which are credited, in accordance with the requirements of mortgages and other contracts, or by action of the utility's directors, definite appropriations of income and surplus whether held in general funds or specifically set aside in the hands of trustees, for the purpose of retiring or redeeming bonds or other obligations of the utility. It shall also include such accretions from the investment of funds specifically set aside for the above described purpose as are required to be added to the reserve.

When the debt which the sinking fund is created to redeem matures and the fund has accomplished its purpose, the balance, if any, shall be credited to "Profit and Loss." If the mortgage or other obligation permits, the par value of bonds or other evidences of indebtedness issued or assumed by the utility which are reacquired through the operations of a sinking fund may be charged to this account and credited to "Profit and Loss" when and as such bonds or other evidences of indebtedness are reacquired.

255. CONTRIBUTIONS FOR EXTENSIONS.

To this account shall be credited contributions in money or property made to the utility for the purpose of assuming the burden or any part of the burden represented by the investment necessary for the establishment or extension of services rendered by the company. This covers such items as contributions toward the cost of line extensions in sparsely settled territory made by customers, either voluntarily or when reasonably required by the company as a condition of giving the desired service, and the cost of services to which the company has title, in so far as such cost is borne by the customer; it also covers grants from municipal or other governmental

bodies or contributions from chambers of commerce and similar organizations made with the object of establishing a new service in the community by assuming part of the investment cost of the enterprise.

NOTE—This does not include advances for the construction of extensions which are ultimately to be repaid wholly or in part to the customer; such advances should be credited to account No. 261, "Miscellaneous Unadjusted Credits." When final determination has been made as to the amount of the advances to be returned to the customer the balance, if any, shall be credited to this account.

256. CONTINGENCY RESERVE.

This account shall include such amounts as the utility sets aside to provide against unforseen contingencies.

257. MISCELLANEOUS RESERVES.

This account shall include the balances in all reserves other than those provided for in the seven preceding accounts. It shall include the retirement reserves for the property included in account No. 102, "Investments in Other Physical Property," as well as other miscellaneous reserves. The bookkeeping method of handling charges against these reserves will be the same as outlined in account No. 251, "Retirement Reserve for Structures and Equipment."

NOTE—If the utility maintains operating reserves for the purpose of equalizing expenses from month to month, such reserves shall be cleared annually unless there remains a credit balance due to the non-completion of maintenance work because of adverse labor conditions, non-receipt of material, or other similar reasons, in which case such part of the balance as is applicable to unfinished work may be carried over to the following year. Under no circumstances shall a debit balance be carried over the year.

261. MISCELLANEOUS UNADJUSTED CREDITS.

This account shall include the amount of credit balances in suspense accounts that cannot be entirely cleared and disposed of until additional information is received.

270. PROFIT AND LOSS—SURPLUS.

Under this head shall be shown the credit balance in the "Profit and Loss" account. (See "Profit and Loss Account—General Instructions and Definitions.")

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PRESCRIBED FOR ALL NATURAL GAS UTILITIES

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FIXED CAPITAL ACCOUNTS

General Instructions and Definitions

1. Fixed Capital Defined.

By the fixed capital of a utility is meant the property, both tangible and intangible, which is devoted to the accomplishment of the principal purposes of its business and which has an expectation of life in service of more than one year from date of installation in service.

2. Tangible and Intangible Capital and Overhead Costs.

Tangible capital covers all physical property classed as fixed capital. Charges to specific accounts for tangible property cover direct labor and material costs up to and including the time of the foreman supervising the job; also such overhead expenditures as engineering, taxes during construction, and similar costs, which can be allocated to definite items of property. Charges to overhead cost accounts should cover only expenditures of this nature which pertain to the enterprise as a whole and cannot be allocated to definite items of property. Intangible capital covers organization expenditures, and rights, privileges, and other property not physical, such as franchises or patent rights.

So far as possible overhead costs should be assigned or apportioned to particular jobs or items to the end that each item shall bear its proper share of such cost, and that the entire cost of the item, both direct and overhead, shall be deducted from the fixed capital accounts at the time of its retirement. Certain overhead costs, however, which clearly pertain to the entire enterprise, such as in some cases engineering, interest, and other items, should not be apportioned, but retained in the appropriate fixed capital accounts as part of the investment cost so long as the enterprise continues under the form in which it started.

These instructions should not be interpreted as permitting the addition to fixed capital accounts of arbitrary percentages to cover assumed overhead costs, but only as requiring the assignment or apportionment to particular accounts for tangible property of actual and necessary overhead expenditures.

3. Cost of Land.

This includes land owned in fee and any acquired terminable rights, or interest in land owned by others, such as leaseholds, water rights, rights of way, and like interests in land.

In this classification land owned in fee and interests in land shall be recorded separately. Land shall not include any buildings or other structures. If the purchase of land includes buildings and other structures thereon, such buildings and structures shall be appraised and charged to the appropriate structures account.

In order that any item of land may be classed as land used and useful in public service, it must have an expectation of life in service of more than one year from the date of its acquisition by the utility. The cost of land includes, in addition to the purchase price, all other costs necessary to such purchase and borne by the utility, such as the cost of surveys, examination and registration of title, conveyancer's and notary's fees, purchasing agent's

commission and fees, or in case such agent is a regular employee of the utility, a proper proportion of his salary and expenses, taxes accrued to the date of the transfer of title, liens upon titles, cost of obtaining consent and payments for abutting damages; special assessments levied by public authorities on the basis of benefits for street and other public improvements, such as new roads, new bridges, new sewers, new pavements, new curbing and similar items, but not any taxes levied to provide for maintenance of such improvements.

Net proceeds from the sale of timber, cordwood, or other property purchased with rights of way or other lands should be credited to the appropriate right of way or other land account.

4. Cost of Structures.

Structures include all buildings, other structures, and improvements on land of a permanent character; and all fixtures permanently attached thereto and made part thereof, which cannot be removed therefrom without cutting into the walls, ceilings or floors, or without in some way impairing the structures. Such fixtures include water, steam and gas pipes; electric wiring; elevators, and engines and motors specially provided for operating them; furnaces, boilers, and other apparatus specially provided for producing steam for such engines and for heating structures; electric generators specially provided for producing current for lighting structures. In addition structures include brick and concrete smokestacks, permanent foundations and settings for machinery and apparatus, fences, walks, trestles, drives, grading and other improvements on grounds used in connection with structures; and excavations, trenchings and refillings done in the construction of structures.

Specially provided foundations, which are not expected to outlast the machinery or other equipment mounted thereon, shall be classed as equipment.

If the purchase of structures includes any equipment, such equipment shall be appraised and charged to the appropriate equipment account.

In order that any structure may be classed as a structure used and useful in the public service, it must have an expectation of life in such service of more than one year from the date of its construction or acquisition by the utility.

Note A—When furnaces and boilers are used primarily for furnishing steam for some particular department and only incidentally for furnishing steam for heating a building and operating the equipment therein, the entire cost of such furnace and boilers should be charged to the appropriate departmental capital account and no part to a structure account.

Note B—A structure account shall not include any charges for lighting, heating, or other fixtures temporarily attached for purposes of display or demonstration.

5. Cost of Equipment.

Equipment includes all tangible fixed property, other than land and structures as herein defined, which is either attached to such land or structures by its own weight or other means, or is otherwise used in connection

with such land or structures and can be readily removed therefrom without thereby losing its unity and fitness to perform the particular service, or service of like character, for which it was acquired by the utility, or without destroying or in any way impairing the integrity of the structures with which it is connected or without otherwise rendering such land or structures unfit to perform their special utility functions. Include also in equipment specially provided foundations which are not expected to outlast the machinery or other equipment mounted thereon.

In order that any item of equivalent may be classed as equipment used and useful in the public service, it must have an expectation of life in service of more than one year from the date of its acquisition by the utility.

Exclude from equipment accounts hand and other portable tools which are liable to be lost or stolen.

The cost of equipment, unless otherwise indicated in the text of an equipment account, includes, in addition to the actual money purchase price thereof, investigation and inspection expenses necessary to such purchase; expenses of transportation when borne by the utility; labor employed, materials and supplies consumed, and expenses incurred by the utility in unloading and placing such equipment in readiness to operate; and like expenses incurred in excavating, trenching, refilling, repaving, and otherwise restoring to its original condition land on which equipment is located.

6. FIXED CAPITAL TO BE ENTERED AND RETAINED ON BOOKS AT COST.

All charges to fixed capital accounts shall be at the actual cost of the property acquired, at the time of its acquisition. A *bona fide* contract or agreement of purchase and sale between entirely separate parties shall be *prima facie* evidence of actual cost. Each item of property shall be carried in the fixed capital accounts at no more, and no less, than its actual cost unless, or until, such property is abandoned, replaced, reconstructed, or converted, when the accounting shall be as hereinafter set forth. The foregoing shall not, however, be interpreted to forbid the inclusion in account No. 367, "Fixed Capital Not Classified by Prescribed Accounts,' 'of undistributed book values which have been carried prior to the effective date of a prescribed uniform system of accounts, and which may or may not represent the actual cost of property in service; but the inclusion of such undistributed book values in fixed capital accounts shall be without prejudice to any future determination of the actual cost of the property. The term "cost" includes not only the cost of labor, material, and supplies directly employed or consumed in the construction and installation of fixed capital, but also the cost of preliminary plans and surveys and such portion of the expenses for engineering and plant supervision and of general expenses as may be chargeable to the fixed capital accounts under an equitable plan for apportionment of such expenses.

7. FIRST ENTRIES MUST ENABLE IDENTIFICATION.

Every debit or credit to a fixed capital or other investment account must be made in such wise as to be readily identified with the particular item of property to which it relates. For each item (or project) of fixed capital or other investment the records shall show the date of the entry, the date of acquisition or installation, the date when placed in service, the actual

money cost, and the description thereof with such particularity as to make possible the location and identification thereof (including in case the item is movable, the name of the manufacturer and the identifying mark or number, if any, imprinted thereon, and such other particulars as may be necessary for identification). Where two or more items are acquired under a single undivided contract, the entry in respect of each shall refer to the others and shall state the entire consideration, and shall also state the portion thereof fairly applicable to the particular item covered by the entry. When any item of capital is withdrawn from service, the date of withdrawal shall be included in the withdrawal entry relating to such item.

NOTE A—In the case of continuous structures like gas mains the record shall be itemized to the extent that no item shall contain more than one operating division or section or more than one type of construction. The entry for any item shall so specify the location and the principal physical characteristics (such as size, weight and type) of the chief constituent parts of the item that identification may be assured.

NOTE B—The date when an item of fixed capital is placed in service may, if preferred, be kept in the engineering records.

8. APPLICATION OF CLASSIFICATION.

The accounts in this classification shall include all expenditures for fixed capital regardless of the way in which the funds for the construction or acquisition have been provided. Such expenditures shall not be charged to operating expense, income, surplus, or to special funds in such manner as to exclude from the property accounts any expenditures for fixed capital.

These accounts shall also include the necessary credits to represent the cost originally charged to them of property or equipment abandoned, destroyed, sold, or otherwise retired from service. Wherever the term "original cost" is referred to in this classification, and such cost can not be ascertained, an estimate of the original cost shall be used.

9. SALVAGE AND INSURANCE.

Salvage, as the term is employed in this classification, means the value to the utility, based upon a fair market price, of equipment or other material recovered in the process of repairing, replacing, or abandoning plant and equipment; or the net amount received from its sale if the material is not retained by the utility. Salvage recovered in connection with a replacement or abandonment involving a deduction from fixed capital accounts shall be credited against the account to which the retirement loss is chargeable. Salvage recovered in connection with maintenance expenses not involving deductions from fixed capital accounts shall, so far as practicable, be credited to the appropriate maintenance accounts. Insurance recovered on property damaged or destroyed shall be treated in the same manner as salvage.

10. WITHDRAWALS OR RETIREMENTS.

To the end that the capital accounts shall at all times disclose the *cost* of all property in service, the cost of retired capital, *whether replaced or not*, must be credited to the account or accounts in this classification to which

such cost was charged. Every natural gas utility should, therefore, take such measures and establish such procedure as will insure strict compliance with these requirements. When anything is worn out, lost, sold, destroyed, abandoned, surrendered upon lapse of title, becomes permanently unserviceable or is withdrawn or retired from service for any other reason, the amount at which such thing stood charged in the capital account shall be credited to the appropriate fixed capital account, and the entry of such credit shall cite by name and page of book or other record the original entry of cost of the thing retired. If there is no original entry that fact shall be stated in connection with the credit entry. If the amount originally charged (i. e., the ledger value) is not separately recorded, it shall be taken to be the proportionate share of said property in the value of the entire group in which the property is included. The entry shall state the fact of such estimation.

Credits for original cost of property retired should include such part of the overhead cost as is equitably assignable to the item retired.

When the cost of retired property is credited to the appropriate fixed capital accounts, it shall be concurrently charged (less any salvage or insurance that there may be on the retired property) to account No. 251, "Retirement Reserve for Structures and Equipment," or account No. 250, "Reserve for Amortization of Intangible Capital," to the extent that the total balance in the reserve is sufficient to cover such loss; the remainder, if any, representing such part of the loss due to the retirement as has not been provided for in advance by the accumulation of a retirement or amortization reserve, shall be charged to suspense account No. 132, "Property Abandoned," to be amortized in such manner as may be determined.

The cost of dismantling, tearing down, or removing any discarded plant or equipment shall be considered a part of the retirement loss and charged to the "Retirement Reserve" or to "Property Abandoned" in accordance with the provisions of the foregoing paragraph. When any replacement takes the form of reconstructing or converting existing property in such a way that the cost of the entire project can not be accurately assigned as between the cost of putting in the new property, and the cost of taking out the old, no greater proportion of the cost of the project shall be charged to fixed capital accounts than would equal the cost of new plan or equipment having equivalent capacity and expectation of serviceable life. Such part of the cost of a reconstruction project as is not chargeable to fixed capital shall be considered a retirement loss and charged to the "Retirement Reserve" or to "Property Abandoned' 'as already provided.

The foregoing instructions do not apply to the retirement of those minor parts, the charges for replacing which are made directly to maintenance expense accounts.

NOTE A—The foregoing rule shall not be applied to capital *temporarily* out of service.

NOTE B—If a receiver or other person temporarily in charge of a utility's property is not in possession of the corporate records, he should open on his books two accounts, one of which should be credited with the original cost (estimated if not known) of fixed capital retired or permanently withdrawn from service from whatever cause, and the other of which should be charged with such cost, plus cost of dismantling, less salvage. The first account may

be entitled "Cost of Fixed Capital Retired During the Period ..... to .....," and the second may be entered "Loss on Fixed Capital Retired During the Period ..... to ....."

11. IMPROVEMENTS ON LEASED PROPERTY.

The cost of additions to and betterments of leased property should be charged to a sub-account under the appropriate fixed capital account, and retirement losses in connection therewith treated in the same manner as on company-owned property. In case the full benefit of improvements will not be obtained by the lessee because of reversion to the lessor at the expiration of the lease, the cost of improvements may be charged to suspense and cleared by uniform charges to rent deductions within the period of the lease. Ordinary current repairs, including minor rearrangements and changes in connection with leased buildings, should be charged to the appropriate maintenance account. Expenditures charged to lessors or for which lessors are required under the leasehold agreement to reimburse the lessee prior to the termination of the lease should not be charged to the fixed capital accounts of the lessee.

12. SALVAGE FROM EQUIPMENT, TOOLS AND OTHER FACILITIES.

When the cost of any work equipment, machinery, tools, or materials and supplies obtained for use in construction work has been charged to accounts in this classification and the entire value thereof has not been consumed in the work, the residual value of such work equipment, machinery, tools, or materials and supplies shall be credited upon the completion of the work to the accounts to which originally charged, and concurrently charged to the material and supply account or other appropriate accounts.

13. SUB-ACCOUNTS FOR DEPARTMENTAL CAPITAL.

The fixed capital accounts should be so subdivided as to distinguish clearly between general capital and departmental capital. Sub-accounts for departmental capital should be so entitled and kept as to enable the utility to report in the detail indicated in the following classification the fixed capital devoted to each particular department or jointly to any specific group of departments.

14. USE OF CLEARING ACCOUNTS.

In case the utility elects to charge to capital or operating accounts, amounts representing the losses incurred by the retirement of such fixed capital as has been charged to accounts Nos. 350, "General Shop Equipment," 351, "Transportation Equipment," 354, "Drilling and Cleaning Equipment," and 355, "General Tools and Implements," it shall charge to the appropriate clearing accounts the estimated accruals representing the retirements of such property.

15. FIXED CAPITAL EMPLOYED FOR MERCHANDISING.

If the utility is engaged in merchandising or jobbing primarily for direct profit rather than for stimulating the consumption of gas, all fixed capital in the merchandising department shall be charged to Account No. 102, "Investments in Other Physical Property."

TEXT EXPLANATORY OF FIXED CAPITAL ACCOUNTS

I UNDISTRIBUTED INTANGIBLE FIXED CAPITAL

Charge to the appropriate accounts listed under this caption the cost of those items of fixed capital, used and useful in the public service, that do not pertain especially to any one specific division of fixed capital.

301. ORGANIZATION.

Charge to this account fees paid to governments for the privilege of incorporation and all other expenditures incident to the organization of the corporation, or other forms of utility, and putting it in readiness to do business.

In the charges to this account include counsel fees; fees paid to promoters, either in cash or in securities at the cash value of such securities at the time of the organization of the utility, for their services in organizing the utlity; the cost of preparing and distributing prospectuses, soliciting subscriptions for stock, preparing and issuing certificates of stock; preparing and filing certificates of authorization of increase in capital stock and issuing stock thus authorized; filing and preparing certificates of amendment to articles of incorporation; and any other necessary expense incurred in the organization of the utility.

Exclude from this account discount on bonds and other evidences of indebtedness, and expenses incurred in negotiating loans and selling bonds or other evidences of indebtedness.

NOTE—Costs of preparing and filing papers in connection with the extension of the term of incorporation or with reincorporation consequent upon reorganization should be charged to account No. 853, "General Law Expenses."

302. FRANCHISES.

Charge to this account the actual amount paid to the State, or any political subdivision thereof, for the grant to the utility of any franchise or right that is necessary for the utility in the conduct of its gas operations. If such franchise is acquired by assignment, the charge to this account must not exceed the amount actually paid therefor by the utility to the assignor, nor shall it exceed the amount paid to the State, or any political subdivision thereof, for such franchise. Charge any excess of the amount paid by the utility to the assignor over the amount originally paid by such assignor to the State, or any political subdivision thereof, to 304, "Miscellaneous Intangible Fixed Capital" account.

Exclude from this account annual or more frequent payments to any government for any franchise and charge them to 231, "Taxes Accrued" account or to the appropriate operating expense accounts. Exclude also from this account the amount paid for any franchise that has a life of not more than one year after the date when it is placed in service or in effect and charge it to the appropriate expense account or to 117, "Prepayments" account, if paid in advance.

303. PATENT RIGHTS AND LICENSES.

Charge to this account the cost of all rights and licenses, which have a life of more than one year from the date when placed in service, acquired

by the utility in or under valid patents granted by the United States to inventors for inventions and discoveries which are necessary or value to the economical conduct of the natural gas operations of the utility.

304. MISCELLANEOUS INTANGIBLE FIXED CAPITAL.

Charge to this account the cost of all other intangible capital not provided for elsewhere.

The records supporting the entries to this account shall be so kept that the utility can furnish information as to the kind of each item of fixed capital charged to this account, the principal from whom it was acquired and the agents who represented him; also the term of the life of each item, or if it is not known an estimate thereof and the facts upon which such estimate was based.

NOTE—When any corporation desires to reclassify, according to the Uniform Classification of Accounts, the book accounts representing its investment in plant and equipment prior to the effective date of this classification, any remainder of the original total book value over the amount determined as properly chargeable to other prescribed accounts (including profit and loss or reserve accounts in cases where it is found that part of the original total book value is properly chargeable to such accounts) may be charged to this account.

II PRODUCTION SYSTEM PROPERTY

Charge to the appropriate accounts listed under this caption the cost of land, structures and equipment, as each of these items of property is defined in "General Instructions and Definitions," used and useful in the public service for the production of natural gas.

305. LAND.

Charge to this account the cost of land owned by the utility on which are located structures and equipment used in the production of natural gas. (See also Item 3, General Instructions and Definitions.)

306. LEASEHOLDS.

Charge to this account the first cost to the utility of acquiring leaseholds of land, structures, or equipment used by the utility in the production of natural gas.

Exclude from this account the cost of leaseholds which terminate in one year or less after they become effective. Exclude also rents paid periodically for rights obtained under leases.

In this classification this account represents interests in land and as such should be amortized during the lives of the leaseholds.

307. RIGHTS OF WAY.

Charge to this account the first cost of all interests in land not owned by the utility, which do not terminate until more than one year after they become effective and which are acquired by it to locate thereon pipe lines,

telephone poles and lines, and like property used by the utility in its production system.

In this classification this account represents interests in land and if the rights charged hereto are limited in life should be amortized during the lives of the rights.

308. NATURAL GAS RIGHTS.

Charge to this account the first cost to the utility of purchasing natural gas rights. This account is intended to provide for the cost to the utility of obaining ownership in gas underlying land not owned or leased by the utility. It does not provide for gas rights which are leased and which are properly chargeable to 306, "Leaseholds" account.

In this classification this account represents interests in land. If the rights charged hereto are limited in life their cost should be amortized during the lives of the rights.

309. GAS WELL STRUCTURES.

Charge to this account the cost of well structures owned by the utility and used by it to house pumping and other equipment necessary to keep the wells in operation.

310. FIELD MEASURING STATION STRUCTURES.

Charge to this account the cost of structures owned by the utility and used by it to house meters and appurtenant appliances used in measuring natural gas before it is conveyed to compressor or booster stations or other points where the transmission system begins. (See also Item 4, General Instructions and Definitions.)

311. OTHER PRODUCTION SYSTEM STRUCTURES.

Charge to this account the cost of structures not provided for elsewhere owned by the utility and used by it in its production system.

312. GAS WELLS.

Charge to this account the cost of labor employed, materials consumed and expenses incurred by the utility in drilling, casing, tubing, packing and shutting in new wells.

In the charges to this account include the cost of making roads to well sites; cutting and hauling timber; hauling, erecting, tearing down and removing rigs; hauling and putting in place pipes, casings, fittings, portable engnes, boilers, tools and other equipment used in drilling; procuring water for use in drilling either by drilling water wells, or piping water from springs or streams, or purchasing it; also the cost of gas purchased and other supplies used and expenses incurred in the construction of gas wells.

Charge also to this account the cost of drive pipe, casing, tubing, packers, fittings, and other gas well equipment up to and including the well gates or stops. Charge also to this account the cost of gas engines and appliances owned by the utility and used by it exclusively in the operation of its natural gas wells.

313. FIELD LINES.

Charge to this account the cost of labor employed, materials consumed and expenses incurred by the utility in constructing pipe lines owned and used by it in collecting natural gas from wells and conveying it to compressor or booster stations, or other points where the transmission system begins.

In the charges to this account include the cost of hauling, ditching, constructing supports, conduits, laying pipe, refilling, repaving, damage to crops, fences; also the cost of tools consumed, other supplies used and expenses incurred in the construction of field lines and connecting field lines with wells.

Charge also to this account the cost of field line equipment owned by the utility and used by it in collecting natural gas from wells and conveying it to compressor or booster stations or other points where the transmission system begins.

Charges of this nature include the cost of pipe, collars, couplings, other fittings, gates, valves, and other equipment accessory to the field lines and connecting them to the wells.

The records supporting the entries to this account shall be so kept that the utility can furnish information as to the diameter, length, weight, material, price, and date of installation of each field line.

314. FIELD MEASURING STATION EQUIPMENT.

Charge to this account the installed cost of meters, gauges, and other equipment owned by the utility and used by it in measuring natural gas collected into the field lines before it is conveyed to compressor or booster stations or other points where the transmission system begins.

315. OTHER PRODUCTION SYSTEM EQUIPMENT.

Charge to this account the cost of equipment not provided for elsewhere owned by the utility and used by it in the production of natural gas.

III TRANSMISSION SYSTEM PROPERTY

Charge to the appropriate accounts listed under this caption the cost of land, structures, and equipment as each of these items of property is defined in "Fixed Capital Definitions and Instructions" of this classification used and useful in the public service for the transmission of gas from compressor or booster stations or other points where the transmission system begins to the inlet of the district regulators or other points where the distribution system begins.

316. LAND.

Charge to this account the cost of land owned by the utility on which are located structures and equipment used in the transmission of gas.

317. LEASEHOLDS.

Charge to this account the first cost to the utility of acquiring leaseholds of land, structures, or equipment used by the utility in the transmission of gas.

Exclude from this account the cost of leaseholds which terminate in one year or less after they become effective. Exclude also rents paid periodically for rights obtained under leases.

In this classification this account represents interests in land and as such should be amortized during the lives of the leaseholds.

318. RIGHTS OF WAY.

Charge to this account the first cost of all interests in land not owned by the utility, which do not terminate until more than one year after they become effective and which are acquired by it to locate thereon pipe lines used in its transmission system.

In this classification this account represents interests in land and if the rights charged hereto are limited in life should be amortized during the lives of the rights.

319. COMPRESSOR STATION STRUCTURES.

Charge to this account the cost of structures owned by the utility and used by it to house compressors, boosters, and appurtenant engines and equipment.

320. TRANSMISSION SYSTEM MEASURING STATION STRUCTURES.

Charge to this account the cost of structures owned by the utility and used by it to house meters and appurtenant equipment used in measuring natural gas before it is transmitted to the distribution system.

321. OTHER TRANSMISSION SYSTEM STRUCTURES.

Charge to this account the cost of structures not provided for elsewhere, that are owned by the utility and used by it in its transmission system.

322. COMPRESSOR STATION EQUIPMENT.

Charge to this account the cost of equipment owned by the utility and used by it in increasing the pressure of gas before it is transmitted to the distribution system.

In charges to this account include the cost of compressors, boosters, gas and steam engines, electric apparatus for furnishing motive power for compressors and boosters; lighting and ventilating appliances; and all other equipment used in the compressor station.

323. TRANSMISSION SYSTEM MEASURING STATION EQUIPMENT.

Charge to this account the cost of equipment owned by the utility and used by it in measuring gas before it is transmitted to the distribution system.

In the charges to this account include the cost of meters, gauges, and other equipment used in the transmission system measuring station.

324. TRANSMISSION LINE EQUIPMENT.

Charge to this account the cost of pipe line equipment owned by the utility and used by it in transmitting gas from the point where the transmission system begins to its terminus.

In the charges to this account include the cost of transmission line pipe, collars, couplings, other fittings, gates, valves, and other equipment accessory to the transmission pipe lines; the cost of hauling, ditching, constructing supports, conduits, laying pipe, refilling, repaving, damage to crops, fences, and similar items; also the cost of tools consumed, other supplies used, and expenses incurred in the construction of transmission lines.

The records supporting the entries to this account shall be so kept that the utility can furnish information as to the diameter, length, weight, material, price, and date of installation of each transmission line.

325. OTHER TRANSMISSION SYSTEM EQUIPMENT.

Charge to this account the cost of equipment not provided for elsewhere owned by the utility and used by it exclusively in the transmission system.

IV DISTRIBUTION SYSTEM PROPERTY

Charge to the appropriate accounts listed under this caption the cost of land, structures, and equipment as each of these items of property is defined in "Fixed Capital Definitions and Instructions" of this classification, used and useful in the public service for the distribution of gas from the district regulators or other points of distribution.

326. LAND.

Charge to this account the cost of land owned by the utility on which are located structures and equipment used in the distribution of gas.

327. LEASEHOLDS.

Charge to this account the first cost to the utility of acquiring leaseholds of land, structures, and equipment used by the utility in the distribution of gas.

Exclude from this account the cost of leaseholds which terminate in one year or less after they become effective. Exclude also rents paid periodically for rights obtained under leases.

In this classification this account represents interests in land and as such should be amortized during the lives of the leaseholds.

328. RIGHTS OF WAY.

Charge to this account the first cost of all interests in land not owned by the utility, which do not terminate until more than one year after they become effective and which are acquired by it to locate thereon pipe lines used in its distribution system.

In this classification this account represents interests in land and if the rights charged hereto are limited in life should be amortized during the lives of the rights.

329. DISTRICT REGULATOR AND MEASURING STATION STRUCTURES.

Charge to this account the cost of structures owned by the utility and used by it to house district regulators, recording gauges, meters for measuring gas before entering customers' meters, and appurtenant equipment.

330. OTHER DISTRIBUTION SYSTEM STRUCTURES.

Charge to this account the cost of structures not provided for elsewhere owned by the utility and used by it in its distribution system.

331. GAS HOLDERS.

Charge to this account the cost of the equipment owned by the utility and used by it to store gas.

332. MEASURING AND REGULATING EQUIPMENT.

Charge to this account the cost of district regulators, recording gauges, meters for measuring gas before entering customers' meters, safety tanks and appurtenant equipment.

333. DISTRIBUTION LINE EQUIPMENT.

Charge to this account the cost of pipe line equipment owned by the utility and used by it in distributing gas from the district regulators or other points where the distribution system begins to the customers' service line.

In the charges to this account include the cost of distribution line pipe, collars, couplings, other fittings, gates, valves, and other equipment accessory to the distribution lines; the cost of hauling, ditching, constructing supports, conduits, laying pipe, refilling, repaving, also the cost of tools consumed, other supplies used, and expenses incurred in the construction of distribution lines.

The record supporting the entries to this account shall be so kept that the utility can furnish information as to the diameter, length. weight, material, price and date of installation of each distribution line.

334. SERVICES.

Charge to this account the cost of pipe line equipment owned by the utility and used by it to convey gas from the distribution lines to the customers' premises.

In the charges to this account include the cost of pipe fittings, curb boxes, and other equipment accessory to the service lines; the cost of teaming, ditching, refilling, repaving, also the cost of tools consumed, other supplies used and expenses incurred in the construction of service lines.

The records supporting the entries to this account shall be so kept that the utility can furnish information as to the diameter, length, weight, material, price, and date of installation of each service.

335. METERS.

Charge to this account the cost of meters owned by the utility and used by it to determine the quantity of gas sold to its customers. Charge also to this account the cost of the original testing of meters before their first installation.

336. METER INSTALLATIONS.

Charge to this account the cost of labor employed, materials used, and expenses incurred by the utility in connection with the original installation of meters.

Exclude from this account the cost of replacing meters or removing them to and installing them in other locations.

337. HOUSE REGULATORS.

Charge to this account the cost of regulators owned by the utility and used by it to regulate the pressure of gas, before the gas enters the customers' meters.

Charge also to this account the cost of the original testing of regulators before their first installation.

Charge also to this account the cost of labor employed, materials used, and expenses incurred by the utility in connection with the original installation of house regulators.

Exclude from this account the cost of replacing house regulators or removing them to and installing them in other locations.

238. OTHER DISTRIBUTION SYSTEM EQUIPMENT.

Charge to this account the cost of equipment not provided for elsewhere owned by the utility and used by it in its distribution system.

V UTILIZATION SYSTEM PROPERTY

Charge to the appropriate accounts listed under this caption the cost of equipment, as this item of property is defined in "Fixed Capital Definitions and Instructions" of this classification, owned by the utility and used by others in consuming gas.

339. COMMERCIAL LIGHTING SYSTEM.

Charge to this account the cost of lighting equipment, except that used for lighting municipal and private streets, owned and operated by the utility and used by others in consuming gas sold to them by the utility for lighting purposes.

In the charges to this account include the cost of lamps, lamp fixtures, measuring devices, and other equipment used in connection with the commercial lighting system.

340. MUNICIPAL STREET LIGHTING SYSTEM.

Charge to this account the cost of street lighting equipment owned, operated, and maintained by the utility and used by it for lighting public streets.

In the charges to this account include the cost of lamps, lamp fixtures, posts, measuring devices, and other equipment used in connection with the municipal street lighting system.

341. PRIVATE STEEET LIGHTING SYSTEM.

Charge to this account the cost of street lighting equipment owned, operated, and maintained by the utility and used by it for lighting private streets.

In the charges to this account include the cost of lamps, lamp fixtures, posts, measuring devices, and other equipment used in connection with the private street lighting system.

342. OTHER UTILIZATION EQUIPMENT.

Charge to this account the cost of all other equipment owned and maintained by the utility and installed by it on the premises of customers for the purpose of supplying them with gas. Charge also to this account the cost of the original installation of each item of equipment carried herein.

In the charges to this account include the cost of gas engines and appliances and like equipment.

Exclude from this account the cost of replacing such items of equipment and removing them to and installing them in other locations.

VI GENERAL PROPERTY

Charge to the appropriate accounts listed under this caption the cost of land, structures, and equipment, as each of these items of property is defined in "Fixed Capital Definitions and Instructions" of this classification, used and useful in the public service, and employed by the utility in its gas operations, but not used exclusively in any one functional operation.

Where equipment, such as shop or transportation equipment, is used exclusively by a division or department, it may be charged to the appropriate property account under such division or department.

343. GENERAL OFFICE LAND.

Charge to this account the cost of land owned by the utility on which are located its general office structures and equipment.

344. OTHER GENERAL LAND.

Charge to this account the cost of general land, except that provided for in 343, "General Office Land" account, owned by the utility and used by it in the conduct of its gas operations.

In the charges to this account include the cost of land on which are located structures and equipment used for shop, store, stable, garage, laboratory, and other general purposes.

The records supporting the entries to this account shall be so kept that the utility can furnish information as to the separate cost of land used for each such general purpose.

345. LEASEHOLDS.

Charge to this account the first cost to the utility of acquiring leaseholds of land, structures, or equipment used by the utility for general purposes in the conduct of its gas operations.

Exclude from this account the cost of leaseholds which terminate in one year or less after they become effective. Exclude also rents paid periodically for rights obtained under leases.

In this classification this account represents interests in land and as such should be amortized during the lives of the leaseholds.

346. GENERAL OFFICE STRUCTURES.

Charge to this account the cost of buildings owned by the utility and used by it for general purposes.

347. OTHER GENERAL STRUCTURES.

Charge to this account the cost of general structures, except those provided for in 346, "General Office Structures," account, owned by the utility and used by it in the conduct of its gas operations.

In the charges to this account include the cost of structures used for shop, store, stable, garage, laboratory, and other general purposes.

The records supporting the entries to this account shall be so kept that the utility can furnish information as to the separate cost of structures used for each such general purpose.

348. GENERAL OFFICE EQUIPMENT.

Charge to this account the cost of equipment owned by the utility and used by it in its general offices.

In the charges to this account include the cost of desks, chairs, tables, filing cases, book cases and racks, movable safes, typewriters, billing machines, adding and calculating machines, addressographs, drafting tables and instruments, engineering instruments and like appliances used in connection with the general office.

349. GENERAL STORE EQUIPMENT.

Charge to this account the cost of equipment owned by the utility and used by it in its general stores.

In the charges to this account include the cost of movable counters and shelves, carts, barrows, trucks, derricks, cranes, hoists, other loading and unloading machinery, and all other apparatus and appliances used in storing and handling materials and supplies. (See Section 15 of General Instructions and Definitions.)

350. GENERAL SHOP EQUIPMENT.

Charge to this account the cost of equipment owned by the utility and used by it in its general shops.

In the charges to this account include the cost of furnaces, boilers, engines, electric generators, and other power apparatus specially provided for operating general shop machinery; also machine tools, cranes, hoists, shafting, belting, smithing equipment other than that used for shoeing horses and repairing vehicles, and all other appliances used in the general shops.

Exclude from this account hand and other small tools which are liable to be lost or stolen. (See Section 14 of General Instructions and Definitions.)

351. GENERAL TRANSPORTATION EQUIPMENT.

Charge to this account the cost of equipment owned by the utility and used by it in its stables and garages.

In the charges to this account include the cost of horses, harness, drays and wagons, equipment for shoeing horses and repairing harness and vehicles, and all other appliances used in stables; the cost of automobiles, bicycles, motorcycles and accessories, and all other appliances used in garages. (See Section 14 of General Instructions and Definitions.)

NOTE—This account may be kept so as to show separately stable equipment and garage equipment.

352. GENERAL LABORATORY EQUIPMENT.

Charge to this account the cost of equipment owned by the utility and used by it in its general laboratory.

In the charges to this account include the cost of testing apparatus and laboratory appliances not provided for elsewhere.

353. GENERAL TELEPHONE AND TELEGRAPH SYSTEM.

Charge to this account the cost of telegraph and telephone system owned by the utility and used by it in the general operation of its gas system.

In the charges to this account include the cost of poles, cables, wires, booths, instruments, and all other costs assigned to the telephone and telegraph system.

354. DRILLING AND CLEANING EQUIPMENT.

Charge to this account the cost of all drilling and cleaning equipment owned by the utility and used by it in drilling and cleaning its natural gas wells and performing other services in the production system.

In the charges to this account include the cost of portable engines, pumps, boilers, drilling cables, rope sockets, swivel wrenches, bailers, drilling derricks, and other equipment used in drilling and cleaning natural gas wells. (See Section 14, General Instructions and Definitions.)

355. GENERAL TOOLS AND IMPLEMENTS.

Charge to this account the cost of tools other than hand tools and implements, not provided for elsewhere, owned by the utility and used by it in the conduct of its gas operations. (See Section 14 of General Instructions and Definitions.)

356. OTHER GENERAL EQUIPMENT.

Charge to this account the cost of all general equipment, not provided for elsewhere, owned by the utility and used by it in the conduct of its gas operations.

VII UNDISTRIBUTED CONSTRUCTION EXPENDITURES

Charge to the appropriate accounts, numbered from 357 to 366, inclusive, the amounts of those expenditures therein described which are incurred by the utility during the period of the construction of its gas system or any part thereof. Such portions of amounts charged to these accounts as can be satisfactorily assigned to specific fixed capital accounts shall then be credited to the proper accounts in this group and charged to the appropriate fixed capital accounts.

No charge shall be made to fixed capital accounts for incidental services or engineering performed by the regular employees and officers of the accounting company, unless they have been specially assigned to such work.

Expenditures for tentative or preliminary designs or experiments shall be carried in a suspense account until it is determined whether or not to undertake the construction. If the project is continued, such expenditures shall then be transferred to the appropriate fixed capital account; and if it is abandoned, they shall be charged to operating expense, income or profit and loss accounts as may be appropriate.

357. ENGINEERING AND SUPERINTENDENCE DURING CONSTRUCTION.

Charge to this account expenditures for services and expenses of engineers, draftsmen and superintendents employed on construction work and preliminary thereto.

358. GENERAL OFFICERS' AND CLERKS' SALARIES DURING CONSTRUCTION.

Charge to this account the salaries of executive and general officers, and general office clerks, that accrue during the period of construction.

If the utility is aleardy operating a gas system, charge to this account only such proportion of such salaries as is based upon the time which such officers and clerks actually spend on construction work.

359. GENERAL OFFICERS' AND CLERKS' EXPENSES DURING CONSTRUCTION.

Charge to this account the traveling and all other necessary expenses incurred for the benefit of the utility by its general officers and general office clerks during the period of construction. If the utility is already operating a gas system, charge to this account only those expenses which are incurred while such officers and clerks are actually engaged on construction work.

360. OFFICE SUPPLIES AND EXPENSES DURING CONSTRUCTION.

Charge to this account the cost of all office supplies used and expenses incurred by the utility during the period of construction of its gas system or any part thereof.

In the charges to this account include the cost of stationery, printing, forms, record books, and similar items, used in connection with construction work and such expenses as messenger and janitor services, rent, water, light, heat, postage, telephone, telegrams, exchange on remittances and like expenses incurred in construction work.

361. LAW EXPENDITURES DURING CONSTRUCTION.

Charge to this account all law expenditures incurred during the period of construction.

In the charges to this account include such items as fees and expenses of counsel, solicitors and attorneys; their clerks and attendants, and the expenses of their offices, if employed exclusively by the utility; cost of printing briefs, legal forms, testimony, reports; payments to arbitrators upon disputed questions; payments of special fees, notarial fees, and witness fees not elsewhere provided for; expenses connected with taking depositions, and court costs and expenses.

Exclude from this account and charge to 301, "Organization" account, law expenses incurred in the organization of the utility.

Where possible there should be excluded from this account and charged to 362, "Injuries and Damages During Construction" account law expenses incurred as the result of injuries and damages caused directly in connection with the construction of the gas system.

362. INJURIES AND DAMAGES DURING CONSTRUCTION.

Charge to this account the amounts of all awards of courts or other lawful authority, all allowances by the utility itself for damages to or destruction of property other than that owned by the utility and for injuries and deaths of employees and other persons, when such damages or destruction of property and injuries or deaths are caused directly in connection with the construction of the gas system. Include also in this account such items of expense as transportation of injured persons, fees of physicians and surgeons, or, if regularly employed by the utility, a proportion of their salaries and expenses, nurse and hospital charges, cost of medical and surgical supplies, and expenditures for funeral and burial services. Charge also hereto salaries of claim adjusters of the utility and their assistants while engaged in settling damage, injury or death claims which result from construction, and where possible the compensation of the solicitor or counsel, while engaged in attending to law suits which develop from such claims, and all court costs connected therewith and paid by the utility.

363. INSURANCE DURING CONSTRUCTION.

Charge to this account the amount of all premiums paid to insurance companies for fire, casualty, boiler, fidelity and other insurance to cover risks during the period of construction of the gas system.

364. TAXES DURING CONSTRUCTION.

Charge to this account all taxes applicable to the period of construction which are levied and paid on property that belongs to the utility and is to be used in the conduct of its gas operations.

Exclude from this account and charge to the account to which the property benefited was charged all assessments for street and other improvements such as grading, sewering, curbing, paving, and like improvements.

365. INTEREST DURING CONSTRUCTION.

This account shall include a reasonable charge representing interest on the accounting company's funds, from whatever source derived, employed on construction projects, during such period as may elapse before the projects become revenue producing.

Discounts received through the prompt payment of bills for materials and supplies used in construction shall be credited to this account if they cannot be assigned to the particular items of materials and supplies to which they apply.

366. OTHER EXPENDITURES DURING CONSTRUCTION.

Charge to this account all undistributed expenditures, not provided for elsewhere, incurred by the utility during the period of construction.

367. FIXED CAPITAL NOT CLASSIFIED BY PRESCRIBED ACCOUNTS.

Under this head shall be grouped the balances in accounts representing the utility's investment in fixed capital prior to the time when it began to follow the classification of fixed capital accounts herein prescribed until such time as distribution is made to the prescribed accounts.

368. COST OF PLANT AND EQUIPMENT PURCHASED.

This account shall include the cost to the accounting company of any plant purchased as a whole when such cost is not immediately assignable to primary fixed capital accounts. Where the contract of purchase includes not only plant and equipment, but also securities and other assets, the appraised value of such securities and other assets shall be deducted from the total cash cost and the remainder of the cash cost shall be charged to this account. Where the consideration given for the property purchased is other than cash, such consideration shall be valued on a current cash basis. If the consideration includes the assumption of liabilities such liabilities shall be included in the determination of the cost at their cash value at the time the contract is made.

This account shall be used only as a clearing account in which temporarily to carry the cost of plant and equipment purchased for a lump sum until such time as a plan for distributing such cost to the primary accounts appropriate to the property is approved by the regulatory commission.

NOTE A—The value at the time of purchase of any securities or other assets acquired shall be included in the accounts appropriate for such assets. The par value of any liability assumed shall be included in the appropriate liability accounts and any necessary adjustment between the cash cost charged to the property accounts and par value shall be made in the appropriate premium or discount account.

NOTE B—The accounting company should procure in connection with the acquisition of any plant and equipment all existing records, memoranda, and accounts in possession or control of the grantor relating to the construction and improvement of such plant and equipment, and preserve such records, memoranda, and accounts. Where the records, memoranda, and accounts

are so intimately involved with other records, memoranda, and accounts of the grantor as to make their transfer impracticable or inadvisable, certified copies of them should be procured by the grantee.

369. UNFINISHED CONSTRUCTION.

Charge to this account all expenditures under estimates, work orders, or other forms of authorization for structures and equipment in process of construction. Such expenditures shall also include that proportion of expenses of supervision, engineering, tools, store, and other like general expenses that may be assigned to such construction work. When such work is completed, credit this account and charge to the appropriate fixed capital or other accounts the cost of the completed work.

This account shall be so carried that the utility can furnish a complete analysis of the expenditures under each estimate, work order, or other form of authorization.

STANDARD FORM OF INCOME ACCOUNT

ITEM	ACCOUNT NUMBER	NAME OF ACCOUNT			TEXT ON PAGE
		INCOME FROM OPERATING PROPERTIES			
1	401.	OPERATING REVENUES	****	$	56
2	402.	OPERATING EXPENSES (BEFORE RETIREMENT AND AMORTIZATION EXPENSE)	$		56
3	403.	RETIREMENT EXPENSE			56
4	404.	AMORTIZATION OF INTANGIBLE CAPITAL			56
5	405.	UNCOLLECTIBLE BILLS			57
6	406.	TAXES			57
7.		TOTAL REVENUE DEDUCTIONS	****		
8		OPERATING INCOME APPLICABLE TO CORPORATE AND LEASED PUBLIC SERVICE PROPERTIES		$	
9	411.	RENT FOR LEASE OF PUBLIC SERVICE PROPERTY	$	****	57
10	412.	RENT FROM LEASE OF PUBLIC SERVICE PROPERTY—CR.			58
11		NET RENT DEDUCTION (CREDIT BALANCE RED)	****		
12		GROSS OPERATING INCOME APPLICABLE TO PUBLIC SERVICE OPERATIONS	****	$	
13	421.	GASOLINE DEPARTMENT OPERATING REVENUES	$	****	58
14	422.	GASOLINE DEPARTMENT OPERATING EXPENSES			58
15		OPERATING INCOME APPLICABLE TO GASOLINE DEPT.	****		
16	431.	OIL DEPARTMENT OPERATING REVENUES	$	****	58
17	432.	OIL DEPARTMENT OPERATING EXPENSES			58
18		OPERATING INCOME APPLICABLE TO OIL DEPARTMENT	****		
19	441.	OTHER CORPORATE OPERATING REVENUES	$	****	58
20	442.	OTHER CORPORATE OPERATING EXPENSES			59
21		OPERATING INCOME APPLICABLE TO OTHER DEPTS.	****		
22		OPERATING INCOME APPLICABLE TO CORPORATE PROPERTIES	****	$	
		INCOME FROM NON-OPERATING PROPERTIES			
23	451.	MISCELLANEOUS RENT REVENUES	$	****	59
24	452.	INTEREST ON LONG TERM DEBT OWNED			59
25	453.	MISCELLANEOUS INTEREST REVENUES			59
26	454.	DIVIDEND REVENUES			59
27	455.	INCOME FROM SPECIAL FUNDS			59

STANDARD FORM OF INCOME ACCOUNT

ITEM	ACCOUNT NUMBER	NAME OF ACCOUNT			TEXT ON PAGE
28	456.	MISCELLANEOUS NON-OPERATING REVENUES..			60
29		TOTAL (ITEMS 23 TO 28, INCLUSIVE).....	$	****	
30	457.	NON-OPERATING REVENUE DEDUCTIONS.....			60
31		TOTAL NON-OPERATING INCOME.....	****	$	
32		GROSS CORPORATE INCOME (ITEMS 22 AND 31)	****		
		DEDUCTIONS FROM GROSS CORPORATE INCOME			
33	461.	INTEREST ON LONG TERM DEBT.....	$	****	61
34	462.	MISCELLANEOUS INTEREST DEDUCTIONS.....			61
35	463.	AMORTIZATION OF DEBT DISCOUNT AND EXPENSE			61
36	464.	AMORTIZATION OF PREMIUM ON DEBT—CR.....			61
37	465.	MISCELLANEOUS AMORTIZATION CHARGEABLE TO INCOME.....			61
38	466.	MISCELLANEOUS DEDUCTIONS FROM GROSS CORPORATE INCOME.....			61
39		TOTAL DEDUCTIONS FROM GROSS CORPORATE INCOME	****	$	
40		NET INCOME (LOSS IN RED).....	****	$	
		DISPOSITION OF NET INCOME			
41	471.	SINKING FUND APPROPRIATIONS OF NET INCOME	$	****	62
42	472.	DIVIDEND APPROPRIATIONS OF NET INCOME....			62
43	473.	MISCELLANEOUS APPROPRIATIONS OF NET INCOME			62
44		TOTAL APPROPRIATIONS OF NET INCOME.....	****	$	
45		BALANCE TRANSFERRED TO PROFIT AND LOSS	****	$	

INCOME ACCOUNTS

GENERAL INSTRUCTIONS AND DEFINITIONS

1. INCOME ACCOUNTS DEFINED.

The income accounts are those that show the sources and disposition of income during a given period. Any change in the items shown on a balance sheet at the end of such a period as compared with a balance sheet at the beginning of the period, which is not merely a transfer from one balance sheet account to another; that is to say, any transaction which affects the profit and loss balance, must be explained by the income accounts or by the profit and loss accounts. A summary statement of income accounts arranged in convenient form to show the accounting history of a given period is usually called collectively the "Income Account." Income accounts whose title and definition plainly indicate that they are summaries of other accounts are not required to be set up as special ledger accounts, though it may often be a matter of bookkeeping convenience to do so.

2. FORM OF INCOME ACCOUNT.

The form in which the income account is stated is determined by considerations of convenience and clarity. The standard form adopted for the purpose of this classification is shown on the preceding pages. In this form of statement there are certain items used to indicate divisions of the income account which require special definition, given in the following paragraphs.

3. REVENUES.

The word *revenues* as used herein means all amounts of money which the utility receives or becomes lawfully entitled to recover for services rendered, for products sold, as profits on merchandise sold, or as a return upon its property (or interest in property). Revenues are classified as *operating revenues* and *non-operating revenues*.

4. OPERATING REVENUES.

Operating revenues are those derived from the sale of products and merchandise, from services rendered, from return on property used by the person or corporation in its own operations, and from interest on current funds.

5. NON-OPERATING REVENUES.

Non-operating revenues are those derived as a return upon the property of the utility in the hands of others or from its interest in property in the hands of others. They may be subclassified as rents, interest, dividends, and miscellaneous.

6. REVENUE DEDUCTIONS.

Revenue deductions comprise expenses, retirement expense, amortization of intangible capital, taxes and uncollectible bills.

7. Expenses.

Expenses are those expenditures necessary to the production and distribution of the commodities sold and the services rendered, and to the collection of the revenues. They are divided into operating expenses and non-operating expenses.

8. Taxes.

Taxes are those annual or other payments exacted by governments for the purpose of raising funds for public uses. This does not include special improvement levies, which are chargeable to fixed capital.

9. Uncollectible Bills.

When a utility is engaged regularly in rendering to general customers a service, or in supplying to such customers a commodity, current accounts or claims against such customers for such services rendered or commodity supplied which are incapable of collection by the exercise of reasonable diligence are included under the name *Uncollectible Bills.*

10. Income.

Income is what is left after subtracting revenue deductions from revenue. *Income from operating properties* is income derived from the operation, or as a compensation for the use, of properties devoted to the undertakings for which the utility is organized. *Income from non-operating properties* is income derived from properties not devoted to the undertakings for which the utility is organized; also from properties not belonging to the utility, but in which it has an interest through ownership of stocks, bonds or otherwise. *Operating income applicable to corporate and leased properties* is that income arising from any class of operations which is available to pay a return in one form or another upon capital employed in that class of operations. *Income applicable to corporate property* is that income which is available to pay a return in one form or another on capital owned by the utility. It is the operating income applicable to corporate and leased properties less rentals for the use of capital not owned. *Gross income* is income from all sources whatsoever. It might also be called total net revenue. *Gross corporate income* is that income applicable to corporate properties; that is, gross income less rentals for capital not owned. *Net income* is that amount left after all contractual or compulsory deductions have been made from gross income, except such sinking fund accruals as are required to be temporarily reserved.

11. Rents.

Rents are payments for the use of property employed in the business, but not owned by the utility. The standard form of income statement established by this system of accounts provides, therefore, for deducting from gross income rentals paid for the use of property not owned, in order that the income available for a return upon that part of the capital invested in the enterprise by the utility may clearly appear. Minor rents, however, such as rents for land, buildings and comparatively small portions

of plant and equipment, not consitituting a distinct operating unit, used for departmental purposes are, for administrative purposes, more suitably charged directly to one or more of the divisions of the operating expense schedules and suitable treatment of such expenditures is provided for in the operating expense accounts.

12. Delayed Income Items.

Delayed items are those representing transactions which occurred prior to the period covered by the income account, but which were not recorded currently. Such items may be charged or credited to the appropriate income account for the fiscal period in which the transactions are actually recorded. If, however, the amount of such items is relatively so large that its inclusion in the income account for a single year would result in a seriously abnormal income statement, and no provision has been made through accruals to reserves or suspense accounts for anticipating such transactions, the utility may distribute the amount, or any part thereof, to "Profit and Loss."

TEXT PERTAINING TO INCOME ACCOUNTS

401. OPERATING REVENUES.

Under this head shall be shown the total revenues of the utility from public service operations during the period covered by the income account. (For the primary operating revenue accounts see pages 68 to 72.)

402. OPERATING EXPENSES.

Under this head shall be shown the total expenses of the utility for public service operations during the period covered by the income account. (For the primary operating expense accounts see pages 79 to 107.)

403. RETIREMENT EXPENSE.

Charge to this account and credit to account No. 251, "Retirement Reserve for Structures and Equipment," those amounts which will equalize from year to year, as nearly as is practicable, the losses incident to important retirements of buildings, or of large sections of continuous structures like gas lines, or of definitely identifiable units of plant or equipment. "Losses" used above means in each case the excess of the cost to the utility of the property retired plus the cost of dismantling or removing, over its salvage value at the time of its retirement. The cost of replacing minor parts, which is not recorded by any entries in the fixed capital accounts, and which is commonly called the cost of "Repairs" or "Maintenance," as distinguished from the cost of "Replacements" of large units, need not be provided for through a retirement reserve. The amounts charged to retirement expense or clearing account ,or appropriated from surplus should be upon a basis determined to be equitable according to the utility's experience and best sources of information, and should in all cases be sufficient to provide during a period of years a reserve against which can be written off all losses sustained upon the retirement of property for any cause whatsoever.

404. AMORTIZATION OF INTANGIBLE CAPITAL.

This account shall include the charges described under the following sub-heads:

a. Extraordinary Retirements. Charge to this account and credit to account No. 137, "Non-productive Well Drilling Expense," such amounts as will, through regular application, amortize these losses.

b. Amortization of Franchises, Patent Rights and Licenses. Charge to this account and credit to account No. 250, "Reserve for Amortization of Intangible Capital," such amounts as will, through regular application provide at the expiration of the lives of the utility's limited franchises, patent rights, and licenses, a reserve equal to their cost.

c. Amortization of Natural Gas Rights and Gas Leases. Charge to this account and credit to account No. 250, "Reserve for Amortization of Intangible Capital," such amounts as will, through regular application provide at the expiration of the utility's natural gas rights and gas leases, a reserve equal to their cost.

d. Amortization of Interest in Landed Capital. Charge to this account and credit to account No. 250, "Reserve for Amortization of Intangible Capital," such amounts as will, through regular application, provide at the expiration of the utility's interests in landed capital a reserve equal to their cost.

405. UNCOLLECTIBLE BILLS.

This account shall include charges for accounts due from customers, which, after a reasonably diligent effort to collect, have proved impracticable of collection. If accounts which have been so written off are afterwards collected, the amount received should be credited to this account.

NOTE—Charges to this account may be made on the basis of the estimated average loss due to uncollectible accounts in which case the concurrent credit shall be to a special account under balance sheet account No. 257, "Miscellaneous Reserves." To the reserve thus established shall be charged such accounts as are determined to be uncollectible. When charges for uncollectible accounts are thus made by estimate, the estimate shall be adjusted at the end of each fiscal year to conform to the experience of the utility as determined by analysis of its accounts receivable.

406. TAXES.

This account shall include the amount of taxes applicable to the gas operations of the utility during the period for which the income account is stated.

Separate account shall be kept of the taxes applicable to gas operations and to operations other than gas, as well as to non-operating revenues, if the utility has such other operations or non-operating revenues. When taxes are levied on property used in two or more different classes of operations in such a way that the amount applicable to each class is not definitely stated, the total amount of the levy shall be apportioned by the utility on some fair basis between the two or more classes of operations. (See account No. 117-a, page 12, "Prepaid Taxes," and account No. 231, page 23, "Taxes Accrued.")

NOTE A—Taxes on property leased should be charged to the appropriate tax account by the party which under the terms of the lease contract actually pays such taxes. If by the provisions of the lease the party actually paying the taxes is reimbursed by the other party to the lease, the amount of such reimbursement shall, when the taxes are paid in the first instance by the lessor, be credited to the appropriate rent revenue account of the lessor and charged by the lessee to the appropriate rent deduction account; when the taxes are paid in the first instance by the lessee the amount of the reimbursement shall be credited to the appropriate rent deduction account of the lessee and charged by the lessor to the appropriate rent revenue account.

NOTE B—The tax accounts must not include any fees or charges sometimes called taxes, such as water taxes, drainage taxes, or fire taxes, which are payments for some specific service rendered by the government.

411. RENT FOR LEASE OF PUBLIC SERVICE PROPERTY.

This account shall includ all amounts accrued against the utility for rent of any public utility plant constituting a distinct operating unit, such as a production plant or distributing system, under a lease giving exclusive possession to the lessee.

Separate sub-accounts shall be kept of rents applicable to gas operations and to public service operations other than gas.

TEXT PERTAINING TO INCOME ACCOUNTS

412. RENT FROM LEASE OF PUBLIC SERVICE PROPERTY—CR.

This account shall include all amounts accruing to the utility as rental for its public utility plant or any part thereof constituting a distinct operating unit, such as a production plant or distribution system, under lease giving exclusive possession to the lessee.

Separate sub-accounts shall be kept of rents applicable to gas operations and to public service operations other than gas.

NOTE—Rentals received for the use of comparatively small portions of plant or equipment, not constituting a distinct operating unit, the cost of which is carried in gas fixed capital accounts, and the cost of maintaining whch is ordinarily borne by the owner, shall not be credited to this account but to operating revenue account No. 619, "Rent from Property Used in Gas Operations," even though the lessee has exclusive possession.

421. GASOLINE DEPARTMENT OPERATING REVENUES.

If the utility operates a gasoline department in connection with its natural gas operations, credit the amounts so earned from the sales of gasoline and by-products to this account. It is suggested that the account be sub-divided to show the different classes of revenue applicable to the gasoline department.

422. GASOLINE DEPARTMENT OPERATING EXPENSES.

Charge to this account the cost of operating the utility's gasoline department. In the charges to this account included such portion of the general operating expenses as may be applicable to the gasoline department. If a royalty is paid for any process or device for the extraction of gasoline from natural gas the expense of such royalty should be charged to this account. All gas consumed by the gasoline department should also be charged to this account at the prevailing tariffs. It is suggested that the company sub-divide this account to show the expenses by appropriate expense accounts.

431. OIL DEPARTMENT OPERATING REVENUES.

Credit to this account the amount earned by the utility from its sales of oil and other earnings applicable to the oil department.

432. OIL DEPARTMENT OPERATING EXPENSES.

Charge to this account all expenses applicable to the oil department, including such portion of general expenses as may be applicable to the oil department. It is suggested that the company keeping sub-accounts in order to classify the different items of oil department expense.

441. OTHER CORPORATE OPERATING REVENUES.

Credit to this account operating revenues not provided for elsewhere. This account should be sub-divided to show the different classes of operating revenues credited thereto.

TEXT PERTAINING TO INCOME ACCOUNTS

442. OTHER CORPORATE OPERATING EXPENSES.

Charge to this account all expenses applicable to earning the revenue that is credited to account No. 441. This account should be sub-divided to show the different items of expense.

451. MISCELLANEOUS RENT REVENUES.

This account shall include all rent revenues accruing to the utility from properties not devoted to the undertakings for which it is organized. This covers such revenues as rentals from land and buildings not used in operations.

452. INTEREST ON LONG TERM DEBT OWNED.

This account shall include interest accruing to the utility upon securities of other companies and national, state, or municipal governments.

NOTE A—No interest upon reacquired securities issued or assumed by the utility shall be credited to this account.

NOTE B—Interest accrued on securities of other companies held in sinking or other special funds shall not be credited to this account, but to account No. 455, "Income from Special Funds."

453. MISCELLANEOUS INTEREST REVENUES.

This account shall include interest accrued to the utility on loans, notes, and advances, special deposits, and all other interest bearing assets except funded securities and current funds employed primarily in the conduct of the business for which the utility is organized.

454. DIVIDEND REVENUES.

This account shall include revenues derived by the utility from dividends on stocks of other companies held by it. Accruals of dividends may be included in this account if their payment is reasonably assured.

NOTE A—No dividends on reacquired securities issued or assumed by the utility shall be credited to this account.

NOTE B—Dividend revenues from securities of other companies held in sinking or other special funds shall not be credited to this account, but to account No. 455, "Income from Special Funds."

455. INCOME FROM SPECIAL FUNDS.

This account shall include income (whether interest or dividends) accrued on cash, securities (not issued or assumed by the utility), and other assets held in sinking and other special funds.

NOTE—This account covers all income from investments of special funds, whether required to be retained in the fund or not. If such income is required to be retained in the fund and the fund required to be represented by a reserve, the amount of such accretions to the fund shall be concurrently

credited to the appropriate reserve account and charged to account No. 471, "Sinking Fund Appropriations of Net Income" or account No. 473, "Miscellaneous Appropriations of Net Income," as may be appropriate.

456. MISCELLANEOUS NON-OPERATING REVENUES.

This account shall include all revenues accruing to the utility in accordance with the terms of any contract by which the utility is entitled to participate in the profits resulting from the operations of others and all other non-operating revenues not provided for in any of the foregoing accounts.

NOTE—"Profits resulting from the operation of others" does not include any dividends. Revenues from dividends should be credited to account No. 454, "Dividend Revenues."

457. NON-OPERATING REVENUE DEDUCTIONS.

This account shall include all expenditures necessary to receiving or collecting non-operating revenues as listed under the following sub-heads. If desired, each sub-head may be made a separate ledger account.

a. Rent Expense. This covers all expenses arising in connection with the procuring of revenues from rented properties which are properly credited to account No. 451, "Miscellaneous Rent Revenues," such as the cost of negotiating contracts, advertising for tenants, fees paid conveyancer, collectors' commission, cost of enforcing payment of rent, cost of ousting tenants, and similar expenses. This includes expense while the property is idle awaiting occupant; also cost of maintenance of property when such cost is borne by the owner. Such maintenance does not include taxes.

b. Interest Expense. This covers all expenses in connection with the collection of interest upon investments. It does not include taxes on such investments.

c. Dividend Expense. This covers all expenses in connection with the collection of dividends on stocks of other corporations; also all expenses incurred for the purpose of inducing the declaration of dividends; and all expenses connected with enforcing payments of dividends when declared.

d. Miscellaneous Non-operating Expense. This covers the cost of negotiating contracts by which the utility is entitled to share in profits from the operations of others, and all expenses of collecting the utility's proportion of such profits and all expenses of procuring the modification or dissolution of any such contract; also all other non-operating expenses (as expenses are defined under "Income Accounts—General Instructions and Definitions," section 7, page 42) which are not provided for under the foregoing sub-heads.

e. Non-operating Taxes. This covers all taxes accruing upon non-operating property, revenue from which is properly credited to accounts Nos. 451 to 456, inclusive, and all other taxes not upon property, but assignable to non-operating revenues.

f. Uncollectible Non-operating Revenues. This covers any non-operating revenues judged by the utility to be uncollectible.

461. INTEREST ON LONG TERM DEBT.

This account shall include all interest accrued on outstanding long term debt issued or assumed by the utility, the liability for which is included under balance sheet account No. 211, "Long Term Debt"; also interest accrued on debenture stocks and on receiver's certificates which mature more than one year after date of issue. This account does not include interest on securities held by the utility in its treasury in sinking or other special funds, or pledged as collateral.

NOTE A—The amount charged to this account shall be concurrently credited to account No. 232, "Interest Accrued," to which account shall be debited payments made on account of interest.

NOTE B—If any securities issued or assumed by the utility are held in a sinking or other special fund, the interest on such securities shall not be charged to this account.

462. MISCELLANEOUS INTEREST DEDUCTIONS.

This account shall include interest on all short-term obligations of the utility, such as notes or loans for term of less than one year, unpaid taxes, customers' deposits, or other accounts payable. It shall also include interests on advances from affiliated companies (see balance sheet account No. 241, "Advances from Affiliated Companies"); and interest on receiver's certificates which mature in one year or less after date of issue.

463. AMORTIZATION OF DEBT DISCOUNT AND EXPENSE.

This account shall include for any fiscal period that proportion of the unamortized discount and expense on outstanding debt which is applicable to the period. This proportion shall be determined according to a rule the uniform application of which during the interval between the issue and the maturity of any debt will completely amortize or wipe out the discount at which such debt was issued and the debt expense connected therewith.

464. AMORTIZATION OF PREMIUM ON DEBT—CR.

This account shall include for any fiscal period the proportion of the premium at which outstanding debt was issued which is applicable to the period. This proportion shall be determined according to a rule the uniform application of which during the interval between the issue and the maturity of any debt will completely amortize or wipe out the premium at which such debt was issued.

465. MISCELLANEOUS AMORTIZATION CHARGEABLE TO INCOME.

This account shall include such amounts as the utility may be required to charge to income in amortization of intangible book value or other items carried among its assets.

466. MISCELLANEOUS DEDUCTIONS FROM GROSS CORPORATE INCOME.

This account shall include all contractual deductions from gross corporate income not provided for in any of the foregoing accounts. This covers un-

secured accruals of obligations arising under contracts whereby the utility has guaranteed the *annual or more frequent periodic* payment of money or performance of other obligations on the part of another corporation or person and because of the default of such other corporation or person the liability of the utility has become actual; losses resulting from the operations of others whenever in accordance with the terms of any contract the utility is bound to contribute toward reimbursement of such losses; and income taxes levied upon bondholders and assumed by the utility.

471. SINKING FUND APPROPRIATION OF NET INCOME.

This account shall include such amounts as are required by mortgage provision or otherwise to be charged to income for the purpose of retiring or reducing the bonded or other obligations of the utility. It shall also include such accretions from the investments of funds specifically set aside for the above described purpose as are required to be added to a sinking fund reserve. (See also account No. 455, "Income from Special Funds.")

472. DIVIDEND APPROPRIATIONS OF NET INCOME.

This account shall include amounts declared payable as dividends out of the income for the period for which the income account is stated on actually outstanding capital stock issued or assumed by the utility.

This account shall be subdivided so as to show separately the dividends on the various classes of capital stock.

If the dividend is not payable in cash, the consideration shall be described in the entry with sufficient particularity to identify it.

NOTE—This account shall not include charges for dividends on capital stock issued or assumed by the utility and owned by it whether held in the treasury, in special deposits, in sinking or other reserve funds, or pledged as collateral.

473. MISCELLANEOUS APPROPRIATIONS OF NET INCOME.

This account shall include all appropriations of net income not provided for in the three preceding accounts. This covers appropriations of income to special fund reserves. (See account No. 455, "Income from Special Funds.")

STANDARD FORM OF PROFIT AND LOSS ACCOUNT

		Dr.	Cr.	Text on Page
	BALANCE AT THE BEGINNING OF THE FISCAL PERIOD....			
	BALANCE TRANSFERRED FROM INCOME ACCOUNT.....			
501.	DIVIDEND APPROPRIATIONS OF SURPLUS.....		****	64
502.	APPROPRIATIONS TO RESERVES.....		****	64
503.	MISCELLANEOUS CREDITS TO PROFIT AND LOSS.....	****		64
504.	MISCELLANEOUS DEBITS TO PROFIT AND LOSS.....	****		65
	BALANCE AT THE END OF THE FISCAL PERIOD.....			

PROFIT AND LOSS ACCOUNTS

GENERAL INSTRUCTIONS AND DEFINITIONS

The "Profit and Loss" account is the collective title for a small group of accounts which form the connecting link between the income account and the balance sheet. Its principal function is to explain changes in the corporate surplus or deficit during a given fiscal period as affected, first, by the net result of all the transactions reported in the income account; second, by appropriations of surplus for specific purposes made at the option of the utility and, third, by special and unusual transactions or adjustments such as are not regularly recorded in the income account.

In sole proprietorships or partnerships the profits and loss balance shall be closed into the proprietorship or partnership accounts.

TEXT PERTAINING TO PROFIT AND LOSS ACCOUNTS

501. DIVIDEND APPROPRIATIONS OF SURPLUS.

This account shall include amounts declared payable out of accumulated surplus as dividends on actually outstanding capital stock issued or assumed by the utility.

This account shall be divided so as to show separately the dividends on the various classes of capital stock.

If a dividend is not payable in cash, the consideration shall be described in the entry with sufficient particularity to identify it.

NOTE—This account shall not include charges for dividends on capital stock issued or assumed by the utility and owned by it, whether held in the treasury, in special deposits, in sinking or other funds, or pledged as collateral.

502. APPROPRIATIONS TO RESERVES.

This account shall include appropriations from surplus for sinking fund and other reserves and allotments of surplus or payment of definite amounts from surplus into sinking fund and other reserves under the terms of mortgages, deeds of trust, or other contracts; and such other appropriations of surplus to be set aside in special reserve accounts as the utility may make.

503. MISCELLANEOUS CREDITS TO PROFIT AND LOSS.

This account shall include all credits affecting the utility's surplus or deficit and not elsewhere provided for, such as:

Adjustments or cancellation of balance sheet accounts.

Cancellation of balance sheet accounts representing unclaimed wages and vouchered accounts written off because of the utility's inability to locate the creditor.

Profit derived from the sale of miscellaneous investments.

Credits resulting from adjustments required to bring to par securities issued or assumed by the utility and reacquired at a cost less than par value.

Premiums on capital stock at the time of its reacquirement. (See "Balance Sheet Accounts—General Instructions and Definitions," Section 11, Page 7.)

Unrealized premiums on funded debt reacquired before maturity. (See "Balance Sheet Accounts—General Instructions and Definitions," Section 11, Page 7.)

NOTE—If old accounts are collected which have been previously written off as uncollectible, the amount received should be credited to the account which was originally charged when the amount in question was written off, and not to "Profit and Loss."

504. MISCELLANEOUS DEBITS TO PROFIT AND LOSS.

This account shall include all debits affecting the utility's surplus of deficit and not elsewhere provided for, such as:

Adjustments or cancellation of balance sheet accounts.

Losses or deficits not properly chargeable to income and for which no reserve has been provided.

Losses resulting from the sale of miscellaneous investments, and debits resulting from adjustments required to bring to par securities issued or assumed by the utility and reacquired at a cost exceeding the par value.

Unextinguished discounts on funded debt reacquired before maturity.

Penalties and fines for violations of law.

INDEX TO OPERATING REVENUE ACCOUNTS

PRESCRIBED FOR CLASSES A, B AND C NATURAL GAS UTILITIES

Account Number	Name of Account	Class			Text on Page
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600.	Metered Domestic and Commercial Sales	A	B		68
601.	Metered Industrial Sales	A	B		68
602.	Other Metered Private Sales	A	B		68
	Metered Sales to Other Gas Utilities			C	
603.	Metered Sales to Affiliated Gas Utilities	A	B		68
604.	Metered Sales to Non-affiliated Gas Utilities	A	B		68
605.	Metered Public Sales	A	B	C	68
	Unmetered Private Sales			C	
606.	Unmetered Domestic and Commercial Sales	A	B		68
607.	Unmetered Industrial Sales	A	B		69
608.	Unmetered Sales for Lighting Private Streets	A	B		69
609.	Other Unmetered Private Sales	A	B		69
	Unmetered Sales to Other Gas Utilities			C	
610.	Unmetered Sales to Affiliated Gas Utilities	A	B		69
611.	Unmetered Sales to Non-affiliated Gas Utilities	A	B		69
	Unmetered Public Sales			C	
612.	Unmetered Sales for Municipal Street Lighting	A	B		70
613.	Unmetered Sales for Other Municipal Uses	A	B		70
614.	Commissions on Others' Gas	A	B	C	70
615.	Customers' Discount Forfeited and Penalties Imposed	A	B	C	70
616.	Cash Discounts and Allowances to Customers —Dr.	A	B	C	70
617.	Rent From Gas Appliances	A	B	C	70
618.	Revenue From Transportation of Gas	A	B	C	71
619.	Rent From Property Used in Gas Operations	A	B	C	71
620.	Merchandise and Jobbing	A	B	C	71
621.	Miscellaneous Operating Revenues	A	B	C	72

OPERATING REVENUE ACCOUNTS

General Instructions and Definitions

1. Operating Revenue Accounts Defined.

Operating revenue accounts are those in which are recorded the amounts which the utility receives or becomes lawfully entitled to recover for services rendered, for products or merchandise sold, as a return on property used in the utility's own operations, and as interest on current funds, such as daily bank balances.

2. No Revenue From Gas Used in Operations or Supplied Without Direct Charge.

If the utility desires to charge its various departmental accounts with the gas used in such departments which it has itself produced or purchased for resale, the value of such gas shall not be credited to revenue, but to the appropriate operating expense account for "Duplicate Charges." Similarly, if gas is supplied without direct charge in accordance with the terms of a municipal or other contract calling for limited "free" service, in accordance with franchise requirements, as compensation for the services of employees, and similar services, and it is desired to charge the value of the gas so furnished to appropriate operating expense accounts, the concurrent credit shall be, not to a revenue account, but to account No. 870, "Duplicate Miscellaneous Charges."

3. Commissions on Gas Sales.

If the accounting company sells all or part of its gas through an agent under contract by which the agent pays distribution and other expenses and turns over to the accounting company the amount collected from gas sales less the agent's commission, the accounting company should credit its revenue accounts with the full amount collected by its agent and charge the amount of the agent's commission to operating expense account No. 837, "Agents' Commisisons." The agent should credit the amount of the commission received to operating revenue account No. 614, "Commissions on Others' Gas," and credit the remainder of the revenue from gas sold on commission to the account of the company supplying such gas.

TEXT EXPLANATORY OF OPERATING REVENUE ACCOUNTS

Credit to the appropriate numbered accounts listed under this caption or to the appropriate subcaptions under which such numbered accounts are listed the amounts earned by the utility from its sales of gas.

These sub-captions as well as the numbered accounts listed under them are account titles. The letter, or letters, after each subcaption or numbered account indicates the class of the utility that is required to keep the account title prefixed hereto.

Each utility shall so keep the records supporting the entries to each operating revenue account that it can furnish information as to the name of each customer, the quantity of gas sold to him, the rate, and the amount charged for it.

Where a utility sells gas to the same customer at different rates it shall keep a separate record of the quantity sold at each rate.

Metered Private Sales—(Class C).

600. Metered Domestic and Commercial Sales—(Classes A and B).

Credit to this account the revenue from metered sales of gas for domestic and commercial purposes.

In the credits to this account include the revenue from sales of gas to private dwellings, boarding and rooming houses, apartment houses, and like places of residence where gas is used primarily for domestic purposes; from sales of gas to hotels, restaurants, warehouses, wholesale and retail stores, office buildings, barns and garages not appurtenant to dwelling and apartment houses, private schools and colleges, churches, hospitals, and other private institutions, and all commercial establishments which do not use gas primarily for power or industrial purposes.

601. Metered Industrial Sales—(Classes A and B).

Credit to this account the revenue from metered sales of gas for power and industrial purposes.

In the credits to this account include the revenue from sales of gas to steel and iron mills, foundries, potteries, brick manufactories, factories, and all other establishments which use gas primarily for power and industrial purposes.

602. Other Metered Private Sales—(Classes A and B).

Credit to this account the revenue from metered sales of gas for private purposes not provided for elsewhere.

In the credits to this account include the revenue from sales of gas to builders, contractors, circuses, drillers and others that use gas for a short time without permanent service connections.

Metered Sales to Other Gas Utilities—(Class C).

603. Metered Sales to Affiliated Gas Utilities—(Classes A and B).

Credit to this account the revenue from metered sales of gas to gas utilities that are affiliated with it.

604. Metered Sales to Non-affiliated Gas Utilities—(Classes A and B).

Credit to this account the revenue from metered sales of gas to gas utilities that are not affiliated with it.

605. Metered Public Sales—(Classes A, B and C).

Credit to this account the revenue from metered sales of gas to municipalities.

Unmetered Private Salss—(Class C).

606. Unmetered Domestic and Commercial Sales—(Classes A and B).

Credit to this account the revenue from unmetered sales of gas for domestic and commercial purposes.

In the credits to this account include the revenue from sales of gas to private dwellings, boarding and rooming houses, apartment houses, and like places of residence where gas is used primarily for domestic purposes; from sales to gas to hotels, restaurants, warehouses, wholesale and retail stores, office buildings, barns and garages not appurtenant to dwelling and apartment houses, private schools and colleges, churches, hospitals, and other private institutions, and all commercial establishments which do not use gas primarily for power or industrial purposes.

607. Unmetered Industrial Sales—(Classes A and B).

Credit to this account the revenues from unmetered sales of gas for power and industrial purposes.

In the credits to this account include the revenue from sales of gas to steel and iron mills, foundries, potteries, brick manufactories, factories, and all other establishments which use gas primarily for power and industrial purposes.

608. Unmetered Sales for Lighting Private Streets—(Classes A and B).

Credit to this account the revenue from unmetered sales of gas for lighting private streets.

In the credits to this account include the revenue from sales of gas for lighting private streets, alleys, bridges, viaducts, parks, yards, rights of way, and similar service; also the amounts earned from sales of gas to individuals and concerns for cooperative street lighting whether such streets are private or public.

609. Other Unmetered Private Sales—(Classes A and B).

Credit to this account the revenue from unmetered sales of gas for private purposes not provided for elsewhere.

In the credits to this account include the revenue from sales of gas to builders, contractors, circuses, drillers and others that use gas for a short time without permanent service connections.

Unmetered Sales to Other Gas Utilities—(Class C).

610. Unmetered Sales to Affiliated Gas Utilities—(Class A and B.).

Credit to this account the revenue from unmetered sales of gas to gas utilities that are affiliated with it.

611. Unmetered Sales to Non-affiliated Gas Utilities—(Class A and B).

Credit to this account the revenue from unmetered sales of gas to gas utilities that are not affiliated with it.

Unmetered Public Sales—(Class C).

612. Unmetered Sales for Municipal Street Lighting—(Classes A and B).

Credit to this account the revenue from unmetered sales of gas to municipalities for street lighting.

In the credits to this account include the revenue from sales of gas for lighting public streets, alleys, bridges, viaducts, parks and similar service.

613. Unmetered Sales for Other Municipal Uses—(Classes A and B).

Credit to this account the revenue from unmetered sales of gas to municipalities for purposes not provided for elsewhere.

614. Commissions on Others' Gas—(Classes A, B and C).

This account shall include all revenues earned by the utility for distributing gas of other companies through its mains and selling the same, and for all other services performed in connection therewith. (See Section 3, General Instructions and Definitions, Page 67.)

615. Customers' Discount Forfeited and Penalties Imposed—(Classes A, B and C).

Credit to this account the amounts of those discounts which the utility allows to customers on condition that they pay their gas bills on or before a specified date and which are forfeited by the customers because of their failure to pay their bills within the specified time.

Credit also to this account the amounts of penalties imposed by the utility on its customers because of their failure to pay their gas bills within a stated time.

This account shall be so kept that the utility can furnish information as to the class of service on which such discounts and penalties are imposed.

616. Cash Discounts and Allowances to Customers—Dr.—(Classes A, B and C).

Charge to this account the amounts of allowances to customers on gas sales. This should include discounts for prompt payment when the billing is on a gross basis.

The records supporting the entries to this account shall be so kept that the utility can furnish information as to the classification and customer affected, the amount allowed, and the reason.

617. Rent From Gas Appliances—(Classes A, B and C).

This account shall include all revenues derived from the leasing of gas engines, heating appliances, lamps, meters and other gas apparatus and appliances. Where the contract of lease names only a single consideration for both the leasing and the maintenance of the appliances so let, the entire revenue shall be included in this account; in such cases, the cost of maintenance shall be charged to the appropriate account in operating expenses.

618. Revenue From Transportation of Gas—(Clasess A, B and C).

Credit to this account all revenues accruing to the utility from other companies for transmitting gas through its production, transmission or distribution lines or compressor stations.

619. Rent From Property Used in Gas Operations—(Classes A, B and C).

This account shall include rents received for the use by others of buildings, land, and other property devoted to gas operations by the utility. This covers such matters as rent from pole attachments, rent from joint use of office buildings or compressor stations, rent from land included with gas rights, and similar arrangements.

When any utility engages in gas operations for the production of some of its product for the benefit of another or others under an arrangement for apportioning the expense among the several participants in the arrangement, if such arrangement provides for the receipt by the utility of any profit or return upon its property, such profit or return upon its property shall, as it accrues, be credited to this account. Such profit or return must be over and above any provision for wear and tear and retirement expense on plant involved in said production, and the amount thereof must be as provided in the arrangement under which the joint production occurs.

620. Merchandise and Jobbing—(Classes A, B and C).

To this account shall be credited all revenues derived from the sale of gas merchandise and from gas jobbing. To this account shall be charged the costs, direct and indirect, of selling merchandise.

To this account shall also be credited the profit or commission accruing to the utility on all jobbing work performed by it as agent under agency contracts whereunder it undertakes to do jobbing work for another for a stipulated profit or commission.

Note A—The utility should keep this account in such detail as to enable it to analyze the credits and debits in its annual reports, and it is suggested that appropriate sub-accounts be kept to classify the revenues and expenses.

Note B—This account does not include receipts from the sale of superseded equipment or of junk or other scrap or salvage. Such receipts should be credited to the account to which the cost of the superseded equipment is charged or (in the case of the sale of junk and similar items) to account No. 867, "Undistributed Adjustments."

Note C—If the utility sells merchandise or does jobbing work at or below cost for the purpose of inducing greater use of gas, the debit balances in this account due to such practice shall be charged to operating expense account No. 847, "Merchandise and Jobbing Loss."

Note D—If the utility is engaged in merchandising or jobbing primarily for direct profit rather than for stimulating the consumption of gas, such merchandising and jobbing may be organized and accounted for as a distinct department of the utility coordinate with the gas department, in which case the transactions covered by this account shall be recorded under accounts

Nos. 441, "Other Corporate Operating Revenue," and 442, "Other Corporate Operating Expenses." If the utility is required to determine separately the profit or loss from merchandising or jobbing, the transactions shall likewise be recorded under accounts Nos. 441, "Other Corporate Operating Revenues," and 442, "Other Corporate Operating Expenses."

621. Miscellaneous Operating Revenues—(Classes A, B and C).

This account shall include all revenues derived from gas operations not includible in any of the foregoing accounts. This covers such items as profit on the sale of materials and supplies not ordinarily purchased for resale, sale of exhaust steam, sale of water or hydraulic power, interest on daily bank balances, and similar credits.

Note—The foregoing account is intended to be restricted to revenues incidental to gas operations. If the sale of water or steam for steam heating or the sale of power is of considerable magnitude, it should be accounted for under separate departmental accounts.

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PRESCRIBED FOR CLASSES A, B AND C NATURAL GAS UTILITIES

Account Number	Name of Account	Class			Text on Page
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751.	Gas Well Labor	A			80
752.	Field Line Labor	A			80
753.	Field Measuring Station Labor	A			80
754.	Other Labor	A			80
	Operating Supplies and Expenses		B	C	
755.	Superintendence Supplies and Expenses	A			80
756.	Gas Well Supplies and Expenses	A			80
757.	Field Line Supplies and Expenses	A			81
758.	Field Measuring Station Supplies and Expenses	A			81
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760.	Other Supplies and Expenses	A			81
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762.	Rental on Unoperated Leases	A	B	C	82
763.	Superintendence of Maintenance	A	B	C	82
764.	Superintendence of Maintenance Supplies and Expenses	A	B	C	82
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765.	Maintenance of Gas Well Structures	A			82
766.	Maintenance of Other Production System Structures	A			82
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773.	Manufactured Gas Purchased from Affiliated Companies	A	B	C	84
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779.	MEASURING STATION LABOR	A	85
780.	TRANSMISSION LINE LABOR	A	85
781.	OTHER TRANSMISSION SYSTEM LABOR	A	86
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OPERATING EXPENSE ACCOUNTS

General Instructions and Definitions

1. Operating Expenses Defined.

The term *operating expenses* as used in this classification means such expenses as are necessary to the maintenance of the corporate organization, the rendering of service required or authorized by law, the sale of merchandise, the production and disposition of commodities produced, and the collection of the revenues therefor. Expenses directly incident to the collection of non-operating revenues and the maintenance of property from which non-operating revenues are derived are excluded from operating expenses.

2. Definitions of Certain Terms Used in Connection With Expense Accounts.

Except where some other meaning is clearly specified in the definitions of the accounts, the following words, wherever used hereunder have the meaning stated below.

Cost means cash or money cost, and not price based on a term of credit.

Labor means human services of whatever character.

Cost of labor includes wages, salaries, and fees paid to persons for their services.

Cost of materials and supplies includes all specifically assignable transportation charges incurred in obtaining the delivery of such materials and supplies upon the premises of the purchaser, such as packing, drayage, freight, insurance, customs duties, commissions, and cost of any special tests made thereon prior to their acceptance; and in case the utility desires, it may include a suitable proportion of store expenses (when the materials and supplies are passed through stores) and the cost of further transportation to the place of consumption, and a suitable proportion of the expenses of the purchasing department, in which case a corresponding credit shall be made to the suitable expense account as hereinafter provided.

Cost of repairs, when made by the utility, includes cost of labor expended and material consumed, and incidental expenses such as carfare, permits, inspection, less salvage, if any.

Current maintenance includes such expenses necessary to maintain the tangible property in a state of operating efficiency as do not result in a substantial change of identity in any particular unit of property. It includes the cost of minor replacements of small parts commonly called the cost of repairs, but it does not include the cost of replacing individual structures, facilities or units of equipment or important sections of continuous structures such as gas lines. Current maintenance costs are chargeable to operating expenses and wherever the work "maintenance" is used in the definition of an operating expense account current maintenance is to be understood. The cost of replacing the larger units is chargeable to fixed capital from which the cost of the property replaced must be deducted.

Note—It is not required that the transportation element of cost shall be assigned with a greater degree of accuracy than to the nearest cent per unit of material or supplies. Where a single transportation item covers a multitude of things the portion of the expense not assigned to specific things should be charged to the same account that store expenses are charged to.

3. Unaudited Bills and Vouchers.

When bills covering operating expense items are not received in time for audit, and when vouchers are not made in time for inclusion in the operating accounts for the month in which the transactions occur, the items may be estimated and in such form charged or credited to operating accounts, and credited or charged to operating reserves, the necessary adjustments being made later when the bills and vouchers are taken into the accounts.

4. Salvage and Insurance.

Salvage and insurance received in connection with maintenance jobs not involving deductions from fixed capital shall be credited to the appropriate maintenance account. (See "Fixed Capital Accounts—General Instructions and Definitions," Section 9, page 33.)

If the insurance for damaged property is relatively large, and is received before the repairs have been completed, a disproportionate credit to operating expenses may be avoided by crediting the amount of the insurance recovered to a suspense account to which the cost of the repair shall then be charged to the extent that it is covered by insurance.

Insurance recovered in connection with personal injuries shall be credited to account No. 863, "Injuries and Damages," or the appropriate sub-division thereof. Divisions distributed by mutual insurance companies shall be credited to the account to which the insurance premium is charged. Recoveries under fidelity bonds shall be credited to the account charged with the loss.

TEXT EXPLANATORY OF OPERATING EXPENSE ACCOUNTS

Charge to the appropriate numbered accounts listed under this caption or to the appropriate sub-captions under which such numbered accounts are listed the aggregate of operating expenses incurred by the utility in the conduct of its gas operations.

These sub-captions as well as the numbered accounts listed under them are account titles. The letter, or letters, after each sub-caption or numbered account indicates the class of the utility that is required to keep the account title prefixed hereto.

Each natural gas utility shall so keep the records supporting the entries to each maintenance account listed under this caption that it can furnish information as to the separate cost of labor, materials and supplies, and expenses charged thereto.

A. PRODUCTION SYSTEM OPERATING EXPENSES

Operating Labor—(Classes B and C).

750. Superintendence—(Class A).

Charge to this account the cost of labor employed by the utility in a general supervisory capacity in the operation of its natural gas production system.

In the charges to this account include the salaries of the superintendent and foreman of the production system; also that portion of the salaries of the engineering staff, consulting and operating engineers, draftsmen,

chemists, geologists, clerks, and other employees engaged in a supervisory capacity, that is chargeable to the operation of the production system.

Exclude from this account salaries and wages for services of this character performed in the maintenance of such property.

751. Gas Well Labor—(Class A).

Charge to this account the cost of labor employed by the utility in the operation of its gas wells.

In the charges to this account, include the cost of the labor of those employed in pumping, blowing and gauging wells and performing other services in the operation of gas wells.

Exclude from this account maintenance labor.

752. Field Line Labor—(Class A).

Charge to this account the cost of labor employed by the utility in the operation of its field lines.

In the charges to this account, include the cost of the labor of those employed in blowing and patrolling lines, inspecting field line regulators, taking pressures, operating reducing stations and performing other services in the operation of field lines.

Exclude from this account maintenance labor.

753. Field Measuring Station Labor—(Class A).

Charge to this account the cost of labor employed by the utility in operating field measuring stations.

Exclude from this account maintenance labor.

754. Other Labor—(Class A).

Charge to this account the cost of labor, not provided for elsewhere, employed by the utility in the production of natural gas.

Exclude from this account maintenance labor.

Operating Supplies and Expenses—(Classes B and C).

755. Superintendence Supplies and Expenses—(Class A).

Charge to this account the cost of supplies used and expenses incurred for the benefit of the utility by its superintendents and others employed in a supervisory capacity in the production of natural gas.

In the charges to this account include the cost of supplies used and such expenses as transportation, hotel expenses, meals, and like expenses incurred by superintendents and others employed in a supervisory capacity in the production of the utility's natural gas.

756. Gas Well Supplies and Expenses—(Class A).

Charge to this account the cost of supplies used and expenses incurred for the benefit of the utility by employees other than the superintendents engaged in the operation of its gas wells.

In the charges to this account include the cost of such supplies as fuel, oil, waste, tools, and such expenses as transportation, hotel expenses, meals, and like expenses incurred by employees other than superintendents engaged in operating the utility's gas wells.

757. Field Line Supplies and Expenses—(Class A).

Charge to this account the cost of supplies used and expenses incurred for the benefit of the utility by employees other than superintendents engaged in the operation of its field lines.

In the charges to this account. include the cost of such supplies as fuel, oil, waste, tools, and such expenses as transportation, hotel expenses, meals, and like expenses incurred by employees other than the superintendents engaged in operating the utility's field lines.

758. Field Measuring Station Supplies and Expenses—(Class A).

Charge to this account the cost of supplies used and expenses incurred for the benefit of the utility by employees engaged in the operation of its field measuring stations.

In the charges to this account include the cost of fuel, oil, waste, tools, meter charts, and such expenses as transportation, hotel expenses, meals, and like expenses incurred by employees engaged in the operation of the utility's field measuring stations.

759. Production System Rent—(Class A).

Charge to this account the amount of rent accrued during each accounting period on property rented by the utility from others for a short term for use in connection with the production of natural gas and in which the utility makes no investment other than expenditures for repairs or changes for its own convenience.

If the utility leases such property for a long term and enjoys exclusive use thereof during the period of the lease it shall charge the rent that it pays thereon to account No. 411, "Rent for Lease of Public Service Property."

760. Other Supplies and Expenses—(Class A).

Charge to this account the cost, not provided for elsewhere, of all supplies used and expenses incurred for the benefit of the utility by employees engaged in the operation of its natural gas production system.

761. Gas Well Royalties—(Classes A, B and C).

Charge to this account the amounts of royalties paid for natural gas produced by the utility from land owned by others.

The records supporting the entries to this account shall be so kept that the utility can furnish information as to the name of each party to each contract involving royalties, the terms of each contract, the location of each gas well operated on a royalty basis, the methods of determining royalties paid, and the amounts of royalties paid in agreement with the terms of each contract.

762. Rentals on Unoperated Leases—(Classes A, B and C).

Charge to this account the amount of rent accrued during each accounting period on gas leases which are being held by the utility for future production of natural gas.

The records supporting the entries to this account shall be so kept that the utility can furnish information for each lease as to the name of the lessor and a description of the land leased by him; the period and the terms of the lease, including the amount of rent payable thereunder; whether such lessor controls, is controlled by, or is in any way affiliated with the utility; whether the rent is payable in cash or is disbursed by the utility for the lessor as interest on funded debt, guaranteed dividends on stock or otherwise.

763. Superintendence of Maintenance—(Classes A, B and C).

Charge to this account the cost of labor employed by the utility in a general supervisory capacity in the maintenance of its production system.

In the charges to this account include the salaries of superintendents and foremen having supervision over the maintenance of the wells, production system structures, field lines and other production system equipment; also that portion of the salaries of the engineering staff, consulting and operating engineers, draftsmen, clerks, and other employees engaged in a supervisory capacity that is chargeable to the maintenance of the production system.

Exclude from this account salaries for services of this character performed in the operation of the production system.

764. Superintendence of Maintenance Supplies and Expenses—(Classes A, B and C).

Charge to this account the cost of supplies used and expenses incurred for the benefit of the utility by its superintendents and others employed in a supervisory capacity in the maintenance of its production system.

In the charges to this account include the cost of supplies used and such expenses as transportation, hotel expenses, meals, and like expenses incurred by superintendents and others employed in a supervisory capacity in the maintenance of the utility's production system.

Maintenance of Production System Structures—(Classes B and C).

765. Maintenance of Gas Well Structures—(Class A).

Charge to this account the cost of labor employed, material and supplies consumed, and expenses incurred by the utility in making repairs to its gas well structures.

In the charges to this account include the cost of repairs to such structures as buildings used to house gate valves, pumping equipment, and other apparatus necessary to keep gas wells in operation.

766. Maintenance of Other Production System Structures—(Class A).

Charge to this account the cost of labor employed, materials and supplies consumed, and expenses incurred by the utility in making repairs to all other structures of the production system.

In the charges to this account include the cost of repairs to structures used to house meters and other appliances used in measuring gas before it is conveyed to compressor or booster stations or other points where the transmission system begins, and all other buildings or other forms of structures used in the production of natural gas.

Maintenance of Production System Equipment—Class C).

Maintenance of Gas Well and Field Line Equipment—(Class B).

767. Maintenance of Gas Well Equipment—(Class A).

Charge to this account the cost of labor employed, materials and supplies consumed, and expenses incurred by the utility in cleaning out wells and in making repairs to its gas well equipment.

In the charges to this account include the cost of repairs to drive pipe, casing, tubing, packers, fittings, and all other gas well equipment up to and including well gates and stops. Charge also to this account the cost of repairs to engines and appliances used exclusively in the operation of natural gas wells.

768. Maintenance of Field Line Equipment—(Class A).

Charge to this account the cost of labor employed, materials and supplies consumed, and expenses incurred by the utility in making repairs to lines used by it in collecting natural gas from wells and conveying it to compressor or booster stations or other points where the transmission system begins.

In the charges to this account include the cost of repairs to pipe, collars, couplings, other fittings, gates, valves and other equipment accessory to the field lines.

769. Changing Field Lines—(Class A).

Charge to this account the cost of labor employed, materials and supplies consumed, and expenses incurred by the utility in changing the location of its field lines.

Maintenance of Other Production System Equipment—(Class B).

770. Maintenance of Field Measuring Station Equipment—(Class A).

Charge to this account the cost of labor employed, materials and supplies consumed, and expenses incurred by the utility in making repairs to its field measuring station equipment.

In the charges to this account include the cost of repairs to meters, gauges, and other devices used by the utility to measure natural gas collected by the field lines before it is conveyed to compressor or booster stations or other points where the transmission system begins.

771. Maintenance of Other Production Equipment—(Class A).

Charge to this account the cost of labor employed, materials and supplies consumed, and expenses incurred by the utility in making repairs to all equipment, not provided for elsewhere, used in the production of natural gas.

B. GAS PURCHASED

772. Natural Gas Purchased From Affiliated Companies—(Classes A, B and C).

Charge to this account the amount paid for natural gas produced by affiliated companies and purchased by the utility for resale.

The records supporting the entries to this account shall be so kept that the utility can furnish information as to the name of each vendor of such natural gas, the quantity of natural gas purchased from each vendor, and the rate and amount paid for it.

Exclude from this account gas purchased for company use which may be charged to a specific job or expense account.

773. Manufactured Gas Purchased From Affiliated Companies—(Classes A, B and C).

Charge to this account the amount paid for gas manufactured by affiliated companies and purchased by the utility for resale.

The records supporting the entries to this account shall be so kept that the utility can furnish information as to the name of each vendor of such manufactured gas, the quantity of manufactured gas purchased from each vendor and the rate and amount paid for it.

Exclude from this account manufactured gas purchased for company use which may be charged to a specific job or expense account.

774. Natural Gas Purchased From Others—(Classes A, B and C).

Charge to this account the amount paid for natural gas produced by others and purchased by the utility for resale.

The records supporting the entries to this account shall be so kept that the utility can furnish information as to the name of the vendor of such natural gas, the quantity purchased from each vendor, and the rate and amount paid for it.

Exclude from this account gas purchased for company use which may be charged to a specific job or expense account.

775. Manufactured Gas Purchased From Others—(Classes A, B and C).

Charge to this account the amount paid for gas manufactured by others and purchased by the utility for resale.

The records supporting the entries to this account shall be so kept that the utility can furnish information as to the name of the vendor of such manufactured gas, the quantity purchased from each vendor, and the rate and amount paid for it.

Exclude from this account manufactured gas purchased for company use which may be charged to a specific job or expense account.

776. Purchased Gas Expense—(Classes A, B and C).

Charge to this account the cost of labor employed, materials and supplies consumed and expenses incurred by the utility in connection with the purchase of gas.

In the charges to this account include where possible the cost of operating measuring devices and calculating the quantity of gas purchased; also the cost of such supplies as fuel, oil, waste, tools, meter charts, ink, and such expenses as transportation, hotel expenses, meals and like expenses incurred by the utility in the purchase of natural gas and manufactured gas.

C. TRANSMISSION SYSTEM OPERATING EXPENSES

Operating Labor—(Classes B and C).

777. Superintendence—(Class A).

Charge to this account the cost of labor employed by the utility in a general supervisory capacity in the operation of its transmission system.

In the charges to this account include the salaries of superintendents and foremen having supervision over the operation of the compressor stations, transmission lines, and other parts of the utility's transmission system; also that portion of the salaries of the engineering staff, consulting and operating engineers, draftsmen, clerks and other employees engaged in a supervisory capacity that is chargeable to the operation of the transmission system.

Exclude from this account salaries for services of this character performed in the maintenance of the transmission system properties.

778. Compressor Station Labor—(Class A).

Charge to this account the cost of labor employed by the utility in the operation of its compressor stations.

In the charges to this account include the cost of the labor of engineers, oilers, wipers, and others employed in the operation of engines, compressors, boosters, lighting and ventilating appliances, and other equipment in the compressor stations.

Exclude from this account maintenance labor.

779. Measuring Station Labor—(Class A).

Charge to this account the cost of labor employed by the utility in the operation of the measuring stations in its transmission system.

In the charges to this account include the cost of the labor of those employed in operating measuring devices used to compute the quantity of gas flowing through transmission lines, and performing all other services in the operation of the transmission system measuring stations.

Exclude from this account maintenance labor.

780. Transmission Line Labor—(Class A).

Charge to this account the cost of labor employed by the utility in the operation of its transmission lines.

In the charges to this account include the cost of labor of those employed in patrolling lines, taking pressures, blowing lines, attending gates and performing other services in the operation of the transmission lines.

Exclude from this account maintenance labor.

781. Other Transmission System Labor—(Class A).

Charge to this account the cost of labor, not provided for elsewhere, employed by the utility in the operation of its transmission system.

Exclude from this account maintenance labor.

Operating Supplies and Expenses—(Classes B and C).

782. Superintendence Supplies and Expenses—(Class A).

Charge to this account the cost of supplies used and expenses incurred for the benefit of the utility by its superintendents and others employed in a supervisory capacity in the operation of its transmission system.

In the charges to this account include the cost of supplies used and such expenses as transportation, hotel expenses, meals, and like expenses incurred by superintendents and others employed in a supervisory capacity in the operation of the utility's transmission system.

783. Compressor Station Supplies and Expenses—(Class A).

Charge to this account the cost of supplies used and expenses incurred by the utility in the operation of its compressor stations.

In the charges to this account include the cost of fuel, lubricants, waste wipers, brooms, shovels, scoops, hand tools, stationery and printing, postage, light, heat, drinking water, ice, soap, water for cooling compressors and for general use and like supplies used and expenses incurred in the operation of the compressor stations.

784. Measuring Station Supplies and Expenses—(Class A).

Charge to this account the cost of supplies used and expenses incurred by the utility in the operation of the measuring stations in its transmission system.

In the charges to this account include the cost of oil, waste, tools, meter charts, and other supplies used and expenses incurred in the operation of the measuring stations.

785. Transmission Line Supplies and Expenses—(Class A).

Charge to this account the cost of supplies used and expenses incurred by the utility in the operation of its transmission lines.

786. Transmission System Rents—(Class A.)

Charge to this account the amount of rent accrued during each accounting period on property rented by the utility from others for a short term for use in transmitting natural gas and in which the utility makes no investment other than expenditures for repairs or changes for its own convenience.

If the utility leases such property for a long term and enjoys exclusive use thereof during the period of the lease, it shall charge the rent that it pays thereon to account No. 411, "Rent for Lease of Public Service Property."

787. Other Transmission System Supplies and Expenses—(Class A).

Charge to this account the cost, not provided elsewhere, of all supplies used, and expenses incurred by the utility in the operation of its transmission system.

788. Transportation and Compressor Charges Paid Others—(Classes A, B and C).

Charge to this account all amounts paid by the utility to other companies for transmitting gas through their lines or compressor stations.

789. Superintendence of Maintenance—(Classes A, B. and C).

Charge to this account the cost of labor employed by the utility in a general supervisory capacity in the maintenance of its transmission system.

In the charges to this account include the salaries of superintendents and foremen having supervision over the maintenance of transmission system structures, transmission lines and other transmission system equipment; also that portion of the salaries of the engineering staff, consulting and operating engineers, draftsmen, clerks, and other employees engaged in a supervisory capacity that is chargeable to the maintenance of the transmission system.

Exclude from this account salaries for services of this character performed in the operation of the transmission system.

790. Superintendence of Maintenance Supplies and Expenses—(Classes A, B and C).

Charge to this account the cost of supplies used and expenses incurred for the benefit of the utility by its superintendents and others employed in a supervisory capacity in the maintenance of its transmission system.

In the charges to this account, include the cost of supplies used and such expenses as transportation, hotel expenses, meals, and like expenses incurred by superintendents and others employed in a supervisory capacity in the maintenance of the utility's transmission system.

Maintenance of Transmission System Structures—(Classes B and C).

791. Maintenance of Compressor Station Structures—(Class A).

Charge to this account the cost of labor employed, materials and supplies consumed, and expenses incurred by the utility in making repairs to its compressor station structures.

In the charges to this account include the cost of repairs to buildings used to house compressors, boosters, and appurtenant engines and equipment.

792. Maintenance of Other Transmission System Structures—(Class A).

Charge to this account the cost of labor employed, materials and supplies consumed, and expenses incurred by the utility in making repairs to structures, not provided for elsewhere, used to house transmission system equipment.

Maintenance of Transmission System Equipment—(Class C).

793. Maintenance of Compressor Station Equipment—(Classes A and B).

Charge to this account the cost of labor employed, materials and supplies consumed, and expenses incurred by the utility in making repairs to its compressor station equipment.

In the charges to this account include the cost of repairs to compressors, boosters, gas and steam engines, electric meters, lighting and ventilating appliances, and all other equipment used in the compressor station.

794. Maintenance of Transmission Line Equipment—(Classes A and B).

Charge to this account the cost of labor employed, materials and supplies consumed, and expenses incurred by the utility in making repairs to its transmission lines.

In the charges to this account include the cost of repairs to pipe, fittings, collars, couplings, gates, valves, and other equipment accessory to the transmission pipe lines.

Maintenance of Other Transmission System Equipment—(Class B).

795. Maintenance of Measuring Station Equipment—(Class A).

Charge to this account the cost of labor employed, materials and supplies consumed, and expenses incurred by the utility in making repairs to the measuring station equipment in its transmission system.

In the charges to this account include the cost of repairs to meters, gauges, and other equipment used in the transmission system measuring station.

796. Maintenance of Other Transmission Equipment—(Class A).

Charge to this account the cost of labor employed, materials and supplies consumed, and expenses incurred by the utility in making repairs to equipment, not provided for elsewhere, used in its transmission system.

D. DISTRIBUTION SYSTEM OPERATING EXPENSES

Operating Labor—(Classes B and C).

797. Superintendence—(Class A).

Charge to this account the cost of labor employed by the utility in a general supervisory capacity in the operation of its distribution system.

In the charges to this account include the salaries of the superintendents and foremen of the distribution system; also that portion of the salaries of the engineering staff, consulting and operating engineers, draftsmen, chemists, clerks, and other employees engaged in an advisory capacity, that is chargeable to the operation of the distributing system.

Exclude from this account salaries for services of this character performed in the maintenance of the distribution system properties.

798. Distribution Line Labor—(Class A).

Charge to this account the cost of labor employed by the utility in the operation of its distribution lines.

In the charges to this account include the cost of the labor of those employed in inspecting district regulators, mains and service lines, taking pressures, attending gates, and performing other services in the operation of the utility's distribution lines.

Exclude from this account maintenance labor.

799. Labor Removing and Resetting Meters and House Regulators—(Class A).

Charge to this account the cost of labor employed by the utility in removing and resetting its meters and house regulators used on the premises of customers.

In the charges to this account include the cost of the labor of those employed in removing meters, and house regulators from the premises of the customers to the utility's shop for testing purposes, resetting or replacing such meters and house regulators after they have been tested, changing location of meters and house regulators on customers' premises, and performing like services.

Exclude from this account maintenance labor.

800. Labor Inspecting and Testing Meters and House Regulators—(Class A).

Charge to this account the cost of the labor of those employed by the utility in inspecting and testing customers' meters and house regulators that are in use.

Exclude from this account maintenance labor.

801. Other Meter Department Labor—(Class A).

Charge to this account the cost of the labor, not provided for elsewhere, employed by the utility in the operation of its meter department.

Exclude from this account maintenance labor.

802. Customers' Premises Labor—(Class A).

Charge to this account the cost of labor employed by the utility and furnished gratuitously to customers for the purpose of maintaining the efficiency of their natural gas connections and appliances.

In the charges to this account include the cost of the labor of those employed in investigating complaints made by customers, inspecting and testing their piping and fixtures, and performing like services on their premises.

803. Other Distribution System Labor—(Class A).

Charge to this account the cost of the labor, not provided for elsewhere, employed by the utility in the operation of its distribution system.

Exclude from this account maintenance labor.

OPERATING SUPPLIES AND EXPENSES—(Classes B and C).

804. SUPERINTENDENCE SUPPLIES AND EXPENSES—(Class A).

Charge to this account the cost of supplies used and expenses incurred for the benefit of the utility by its superintendents and others employed in a general supervisory capacity in the operation of its distribution system.

In the charges to this account include the cost of supplies used and such expenses as transportation, hotel expenses, meals, and like expenses incurred by the superintendents and others employed in a supervisory capacity in the operation of the utility's distribution system.

805. DISTRIBUTION LINE SUPPLIES AND EXPENSES—(Class A).

Charge to this account the cost of supplies used and expenses incurred by the utility in the operation of its distribution lines.

In the charges to this account include the cost of supplies used and such expenses as transportation, hotel expenses, meals, and like expenses incurred by the employees of the utility other than those employd in a supervisory capacity, in the operation of the utility's district regulators, distribution and service lines.

806. METER DEPARTMENT SUPPLIES AND EXPENSES—(Class A).

Charge to this account the cost of supplies used and expenses incurred for the benefit of the utility by its employees in the operation of its meter department.

In the charges to this account include the cost of candles, matches, ice water, laundry, electricity, stationery, postage and like items; also such expenses as transportation, hotel expenses, meals, and like expenses incurred by the superintendents and other employees of the utility while engaged in removing, resetting, inspecting, and testing meters, and performing other services in the operation of its meter department.

807. DISTRIBUTION SYSTEM RENTS—(Class A).

Charge to this account the amount of rent accrued during each accounting period on property rented by the utility from others for a short term for use in distributing natural gas and in which the utility makes no other investment except expenditures for repairs or changes for its own convenience.

If the utility leases such property for a long term and enjoys exclusive use thereof during the period of the lease it shall charge the rent that it pays thereon to account No. 411, "Rent for Lease of Public Service Property."

808. CUSTOMERS' PREMISES SUPPLIES AND EXPENSES—(Class A).

Charge to this account the cost of supplies used and expenses incurred by the utility in gratuitously maintaining the efficiency of the natural gas connections and appliances on the premises of its customers.

In the charges to this account include the cost of supplies used and expenses incurred in investigating customers' complaints, inspecting and testing their piping and fixtures, and performing like services on their premises.

809. OTHER DISTRIBUTION SYSTEM SUPPLIES AND EXPENSES—(Class A).

Charge to this account the cost, not provided for elsewhere, of supplies used and expenses incurred by the utility in the operation of its distribution system.

810. SUPERINTENDENCE OF MAINTENANCE—(Classes A, B and C).

Charge to this account the cost of labor employed by the utility in a general supervisory capacity in the maintenance of its distribution system.

In the charges to this account include the salaries of superintendents and foremen having supervision over the maintenance of distribution system structures, distribution lines and other distribution system equipment; also that portion of the salaries of the engineering staff, consulting and operating engineers, draftsmen, clerks, and other employees engaged in a supervisory capacity that is chargeable to the maintenance of the distribution system.

Exclude from this account salaries for services of this character performed in the operation of the distribution system.

811. SUPERINTENDENCE OF MAINTENANCE SUPPLIES AND EXPENSES—(Classes A, B and C).

Charge to this account the cost of supplies used and expenses incurred for the benefit of the utility by its superintendents and others employed in a supervisory capacity in the maintenance of its distribution system.

In the charges to this account, include the cost of supplies used and such expenses as transportation, hotel expenses, meals, and like expenses incurred by superintendents and others employed in a supervisory capacity in the maintenance of the utility's distribution system.

812. MAINTENANCE OF DISTRIBUTION SYSTEM STRUCTURES—(Classes A, B and C).

Charge to this account the cost of labor employed, materials and supplies consumed, and expenses incurred by the utility in making repairs to the structures of its distribution system.

MAINTENANCE OF DISTRIBUTION SYSTEM EQUIPMENT—(Class C).

MAINTENANCE OF DISTRIBUTION SYSTEM LINES—(Class B).

813. MAINTENANCE OF DISRIBUTION LINE EQUIPMENT—(Class A).

Charge to this account the cost of labor employed, materials and supplies consumed, and expenses incurred by the utility in making repairs to its distribution lines.

In the charges to this account include the cost of repairs to pipe, fittings and other equipment of the distribution lines.

814. MAINTENANCE OF SERVICES—(Class A).

Charge to this account the cost of labor employed, materials and supplies consumed, and expenses incurred by the utility in making repairs to the service lines of its distribution system.

In the charges to this account include the cost of repairs to pipe, fittings, curb boxes, and other equipment accessory to the service lines.

Maintenance of Meters and House Regulators—(Class B).

815. Maintenance of Meters—(Class A).

Charge to this account the cost of labor employed, materials and supplies consumed, and expenses incurred by the utility in making repairs to the customers' meters of its distribution system.

In the charges to this account include the cost of adjusting, cleaning, and painting meters, repairing and replacing meter shelves and connections, inserting new parts, and performing other services necessary to keep the meters in operation.

816. Maintenance of House Regulators—(Class A).

Charge to this account the cost of labor employed, materials and supplies consumed, and expenses incurred by the utility in making repairs to the house regulators of its distribution system.

Maintenance of Other Distribution System Equipment—(Class B).

817. Maintenance of Gas Holders—(Class A).

Charge to this account the cost of labor employed, materials and supplies consumed, and expenses incurred by the utility in making repairs to its gas holders.

818. Maintenance of Measuring and Regulating Equipment—(Class A).

Charge to this account the cost of labor employed, materials and supplies consumed, and expenses incurred by the utility in making repairs to district regulators, recording gauges, safety tanks, and other pressure controlling apparatus of its distribution system.

Exclude from this account the cost of repairs to house regulators.

819. Maintenance of Other Distribution Equipment—(Class A).

Charge to this account the cost, not provided for elsewhere, of labor employed, materials and supplies consumed, and expenses incurred by the utility in making repairs to other equipment of its distribution system.

E. UTILIZATION SYSTEM OPERATING EXPENSES

Operating Labor—(Classes B and C).

820. Commercial Lighting Labor—(Class A).

Charge to this account the cost of labor employed by the utility in operating its commercial street lighting service.

In the charges to this account include the cost of the labor of those employed in cleaning, lighting, extinguishing, inspecting commercial lights and other similar services.

Exclude from this account maintenance labor.

821. Municipal Street Lighting Labor—(Class A).

Charge to this account the cost of labor employed by the utility in operating its municipal street lighting service.

In the charges to this account include the cost of the labor of those employed in cleaning, lighting, and extinguishing street lights, inspecting and supervising the street lighting district, reporting on re-lights and discontinues, watching the hours of lighting and extinguishing, and other similar services.

Exclude from this account maintenance labor.

822. Private Street Lighting Labor—(Class A).

Charge to this account the cost of labor employed by the utility in operating its private street lighting service.

In the charges to this account include the cost of the labor of those employed in cleaning, lighting and extinguishing street lights, inspecting and supervising the street lighting district, reporting on re-lights and discontinues, watching the hours of lighting and extinguishing and other similar services.

Exclude from this account maintenance labor.

Operating Supplies and Expenses—(Classes B and C).

823. Commercial Lighting System Supplies and Expenses—(Class A).

Charge to this account the cost of supplies used and expenses incurred by the utility in operating its commercial lighting service.

In the charges to this account include the cost of such items as burners, globes, reflectors, waste, and such expenses as transportation, hotel expenses, meals and like expenses incurred by employees of the utility in operating its commercial lighting service.

824. Municipal Street Lighting System Supplies and Expenses—(Class A)

Charge to this account the cost of supplies used and expenses incurred by the utility in the operation of its municipal street lighting service.

In the charges to this account include the cost of such items as burners, globes, waste, reflectors, and such expenses as transportation, hotel expenses, meals and like expenses incurred by employees of the utility in operating its municipal street lighting service.

825. Private Street Lighting System Supplies and Expenses—(Class A).

Charge to this account the cost of supplies used and expenses incurred by the utility in the operation of its private street lighting service.

In the charges to this account include the cost of such items as burners, globes, reflectors, waste, and such expenses as transportation, hotel expenses, meals and like expenses incurred by employees of the utility in operating its private street lighting service.

Maintenance of Utilization Equipment—(Classes B and C).

826. Maintenance of Commercial Lighting System—(Class A).

Charge to this account the cost of labor employed, materials and supplies consumed, and expenses incurred by the utility in making repairs to its commercial lighting system.

In the charges to this account include the cost of replacing globes, burners, mantles, removing and resetting commercial lamp fixtures, repairing lamp fixtures ,and performing like services.

827. Maintenance of Municipal Street Lighting System—(Class A).

Charge to this account the cost of labor employed, materials and supplies consumed, and expenses incurred by the utility in making repairs to its municipal street lighting system.

In the charges to this account include the cost of cleaning street services, cutting off services, recaulking columns, straightening, removing and resetting posts, refitting columns, painting, cartage, and repaving over openings made by work in connection with the maintenance of the municipal street lighting system.

828. Maintenance of Private Street Lighting System—(Class A).

Charge to this account the cost of labor employed, materials and supplies consumed, and expenses incurred by the utility in making repairs to its private street lighting system.

In the charges to this account include the cost of cleaning street services, cutting off services, recaulking columns, straightening, removing and resetting posts, refitting columns, painting, cartage, and repaving over openings made by work in connection with the maintenance of the private street lighting system.

829. Maintenance of Other Utilization Equipment—(Class A).

Charge to this account the cost of labor employed, materials and supplies consumed, and expenses incurred by the utility in making repairs to its other utilization equipment.

In the charges to this account include the cost of repairs to gas engines and appliances and like equipment owned by the utility and installed on the premises of its consumers.

F. COMMERCIAL OPERATING EXPENSES

Commercial Administration—(Classes B and C).

830. Commercial General Salaries—(Class A).

This account shall include the salaries of superintendents and assistants, chief clerks, cashiers and assistants, stenographers, general clerks, high bill clerks, switchboard operators, messengers, janitors and watchmen employed in the commercial department.

831. Commercial Accounting—(Class A).

This account shall include the salaries of accountants, bookkeepers, billing and addressing machine operators, and others engaged in keeping accounts with customers.

832. Commercial Contracts—(Class A).

Charge to this account the salaries of those employees engaged in receiving applications for service, attending to bill questions and matters pertaining to customers' services.

Commercial Meter Reading and Collecting—(Class C).

833. Meter Reading—(Classes A and B).

Charge to this account the salaries of those engaged in reading customers' meters.

834. Commercial Collecting—(Classes A and B).

This account shall include the salaries of regular and prepayment collectors. This covers cost of delivering bills and proportion of salaries of meter readers engaged in collecting.

835. Commercial Supplies and Expenses—(Classes A, B and C).

Charge to this account the cost of supplies used and expenses incurred for the benefit of the utility by its employees in the operation of its commercial activities.

In the charges to this account include the cost of stationery, postage, miscellaneous office supplies, repairs to office equipment, meter readers' supplies and such expenses as meals, transportation and like expenses incurred by the employees of the utility engaged in its commercial activities.

836. Commercial Department Rent—(Classes A, B and C).

Charge to this account the amount of rent accrued during each accounting period for property of others used by the utility for commercial purposes. Charge also to this account the cost of repairs, insurance, taxes and other expenses incurred by the utility in connection with leased property used for commercial purposes.

837. Agents' Commissions—(Classes A, B and C).

This account shall include the amounts paid by the accounting company to agents as commissions for distributing its gas through the agent's distribution mains, and selling the same, and for all services performed in connection therewith. Companies receiving commissions for distributing and selling as agents shall credit the amounts so received to account No. 614, "Commissions on Others' Gas." (See Section 3, General Instructions and Definitions, page 67.)

G. NEW BUSINESS OPERATING EXPENSES

New Business Salaries and Commissions—(Classes B and C).

838. New Business Management Salaries—(Class A).

Charge to this account the salaries of those employees of the utility who are engaged in the administration of its new business activities.

In the charges to this account include the salaries of the new business manager, his assistants, clerks, stenographers, telephone operators and messengers.

839. New Business Advertising Salaries—(Class A).

Charge to this account the salaries of the advertising manager, his assistants, clerks and those employed by the utility in promoting its business through advertising.

840. New Business Soliciting and Commissions—(Class A).

Charge to this account the amount of commissions paid and the cost of labor employed by the utility in promoting its business through soliciting.

In the charges to this account include the wages, commisisons and expenses of canvassers, solicitors, cost of preparing estimates, engineering advice on gas installations and the solicitation of new business.

The records supporting the entries to this account shall be so kept that the utility can furnish information as to the name of each person to whom a commission is paid and the amount thereof.

841. Demonstration Labor—(Class A).

Charge to this account the cost of labor employed by the utility in promoting its business through the use of gas appliances.

In the charges to this account include the wages of demonstrators and their assistants.

842. Other New Business Labor—(Class A).

Charge to this account the cost of labor not provided for elsewhere, employed by the utility in the operation of its new business activities.

In the charges to this account include the cost of labor of clerks, stenographers, telephone operator and messenger.

New Business Supplies and Expenses—(Classes B and C).

843. Advertising Supplies and Expenses—(Class A).

Charge to this account the cost of stationery, newspaper advertisements, printed circulars, posters, bulletins, booklets, miscellaneous office supplies and such expenses as transportation, hotel expenses, meals and like expenses incurred by employees of the utility in connection with promoting its business through advertising.

844. New Business Supplies and Expenses—(Class A).

Charge to this account the cost of supplies used and expenses incurred for the benefit of the utility by its employees in the operation of its new business activities.

In the charges to this account include the cost of materials and supplies, stationery, printing, postage, miscellaneous office supplies and such expenses as transportation, hotel expenses, meals and like expenses incurred by the employees of the utility while engaged in promoting its business.

In the charges to this account include also the amount of rents paid for offices maintained solely for the benefit of the new business department.

845. New Business Piping Labor—(Classes A, B and C).

Charge to this account the cost of labor employed by the utility to promote its business by piping gratuitously the premises of customers.

846. New Business Piping Supplies and Expenses—(Classes A, B and C).

Charge to this account the cost of supplies used and expenses incurred by the utility in piping gratuitously the premises of its customers for the purpose of promoting its business.

In the charges to this account include the cost of pipe, joints, brackets, fixtures and all such supplies and expenses incurred in connection with the gratuitous installation thereof for the purpose of promoting the utility's gas business.

847. Merchandise and Jobbing Loss—(Classes A, B and C).

If the utility sells merchandise and does jobbing work at or below cost for the purpose of inducing greater use of gas, the losses resulting therefrom shall, at the end of the fiscal year, be charged to this account.

H. GENERAL ADMINISTRATIVE EXPENSES

848. Management Fees and Expenses—(Classes A, B and C).

Charges to this account fees paid to a corporation or other organization for supervisory management services; also amounts paid by the utility to any such management organization to reimburse it for expenses incurred by it on behalf of or for the benefit of the utility, if such expenses cannot be assigned to other appropriate operating expense accounts. Fees paid for management services in connection with construction projects shall not be charged to this account but to the appropriate fixed capital accounts.

General Administrative Salaries—(Classes B and C).

849. Administrative Salaries—(Class A).

This account shall include the salaries of the chairman of the board, president, vice president, treasurer, secretary, comptroller, general auditor, general manager, assistant general manager, chief engineer, general superintendent, purchasing agent, and all other employees whose jurisdiction extends to the entire system and whose services cannot be allocated to the several departments.

850. Other General Office Salaries—(Class A).

This account shall include the salaries of auditors, bookkeepers, cashiers, paymasters, stenographers, and clerks employed in counting cash, janitors, porters, messengers, and other clerks and employees whose time is devoted to the work of the general office.

General Administrative Supplies and Expenses—(Classes B and C).

851. General Office Supplies and Expenses—(Class A).

Charge to this account the cost of office supplies such as ink, ink stands, pens, pen holders, pencils, paper clips and fasteners, pins, typewriter ribbons, waste baskets, and the like; also expenses such as light, heat, telephone service, telegrams, newspapers, periodicals, ice, drinking water, laundry and other similar items. This account shall also include rental of office equipment such as statistical machines.

Expenses of departmental employees should be charged to the appropriate departmental accounts.

Note—The cost of such mechanical calculators, typewriters, duplicating machines and other office appliances as are not properly capitalized, should, if for use in general office, be charged to account No. 851, "General Office Supplies and Expenses," or, if for the use of department offices, to the proper departmental accounts.

852. General Stationery and Printing—(Class A).

This account shall include the cost of stationery, stationery supplies, and postage not elsewhere provided for.

Note A—The cost of printing briefs and other legal papers should be charged to account No. 853, "General Law Expenses"

Note B—The cost of printing signs, posters and other advertising matter should be charged to account No. 843, "Advertising Supplies and Expenses."

853. General Law Expenses—(Classes A, B and C).

Charge to this account all general law expenses incurred by the utility. In the charges to this account include the fees and expenses of counsel, solicitors and attorneys, their clerks and attendants, and the expenses of their offices if they are employed exclusively by the utility; fees paid to legal advisers not regular employees of the utility; cost of law books, printing briefs, legal forms, testimony, reports; payments to arbitrators of disputed questions; payments of special fees, notarial fees, and witness fees not elsewhere provided for; expenses connected with taking depositions, court costs, and like expenses.

If the utility has a law department, it shall so keep the records supporting the entries to this account that it can furnish separate information as to the salaries, the supplies, and expenses thereof charged to this account.

854. General Office Rent—(Classes A, B and C).

Charge to this account the amount of rent accrued during each accounting period on property of others used by the utility for general office purposes. Charge also to this account repairs, insurance and taxes borne by the utility on such property.

855. Maintenance of General Structures—(Classes A, B and C).

This account shall include the cost of maintaining general office buildings or other structures used for general purposes. This covers maintenance of walks, driveways, and grounds connected therewith and all incidental expenses connected with the maintenance of such buildings or structures.

856. Maintenance of General Office Equipment—(Classes A, B and C).

Charge to this account the cost of labor employed, materials and supplies consumed, and expenses incurred by the utility in making repairs to its general office equipment.

In the charges to this account include repairs to desks, chairs, tables, filing cases, book cases and racks, movable safes, typewriters, adding and calculating machines, addressographs, drafting tables and instruments, engineering instruments and other appliances used in connection with the general offices.

857. Maintenance of Other General Equipment—(Classes A, B and C).

Charge to this account the cost of labor employed, materials and supplies consumed, and expenses incurred by the utility in making repairs to that part of its general equipment that is not provided for in any of the preceding general maintenance accounts.

The records supporting the entries to this account shall be so kept that the utility can furnish information as to each kind of equipment the cost of repairing which is charged to this account.

Operation of Telephone and Telegraph System—(Class C).

858. Telephone and Telegraph System Labor—(Classes A and B).

Charge to this account the cost of labor employed by the utility in the operation of its general telephone and telegraph properties.

In the charges to this account include the cost of the labor of those employed in patrolling, inspecting, and testing the telephone and telegraph lines and equipment, locating and clearing telephone and telegraph line trouble; protecting telephone and telegraph lines from fires, floods and like casualties, and performing other services in the operation of the telephone and telegraph system.

Exclude from this account maintenance labor.

859. Telephone and Telegraph System Supplies and Expenses—(Classes A and B).

Charge to this account the cost of supplies used and expenses incurred for the benefit of the utility by its employees in the operation of its general telephone and telegraph system.

In the charges to this account include the cost of supplies used and such expenses as transportation, hotel expenses, meals and like expenses of the superintendents and other employees of the utility while engaged in patrolling, inspecting and testing its telephone and telegraph lines and equipment; locating and clearing telephone and telegraph line trouble; protecting its telephone and telegraph lines from fires, floods and like casualties and performing all other services in the operation of its telephone and telegraph system.

Exclude from this account maintenance supplies and expenses.

860. MAINTENANCE OF TELEPHONE AND TELEGRAPH SYSTEM—(Classes A, B and C).

Charge to this account the cost of labor employed, materials and supplies consumed, and expenses incurred by the utility in making repairs to its telephone and telegraph system.

In the charges to this account include the cost of repairs to poles, cables, booths, instruments, and other equipment permanently assigned to the telephone and telegraph lines.

861. GAS FRANCHISE REQUIREMENTS—(Classes A, B and C).

Charge to this account at the normal selling price all gas and materials and supplies furnished municipal corporations in compliance with franchise requirements and for which no payment is received by the accounting company; also all direct expenses incurred in compliance with such requirements for which no disbursement is received by the accounting company.

Amounts charged to this account for which there is no direct money outlay shall be credited to account No. 870, "Duplicate Miscellaneous Charges—Cr."

OTHER GENERAL ADMINISTRATIVE EXPENSES—(Class C).

862. REGULATORY COMMISSION EXPENSES—(Classes A and B).

Charge to this account expenses incurred by the utility in its transactions with regulatory commission.

In the charges to this account include fees and retainers and expenses of counsel, solicitors, attorneys, clerks, attendants, witnesses, and others whose services are secured for the defense or prosecution of those petitions presented to a regulatory commission that affect the utility; the salaries, fees, traveling and other expenses of those specially employed or assigned to ascertain the value of property owned or used by the utility, or to gather and compile other data for use in a complaint or other proceedings before a regulatory commission; the cost of stationery and printing and engineering supplies consumed; and other expenses of a similar character.

Exclude from this account and charge to the appropriate specific operating expense account those expenses, such as improvement of service, additional inspection and other like costs made necessary by the rules, regulations or orders of a regulatory commission.

The records supporting the entries to this account shall be so kept that the utility can furnish information as to the amount and nature of each charge to this account.

NOTE—Expenses incident to the sale or issue of securities should not be charged to this account but to the appropriate discount account. (See "Balance Sheet Accounts—General Instructions and Definitions," Section 12, page 8.)

INSURANCE, RELIEF AND PENSION EXPENSE—(Class B).

863. INJURIES AND DAMAGES—(Class A).

Charge to this account all expenses incurred by the utility for injuries to its employees and other persons and for damages to the property of others when such injuries and damages are caused by its gas operations.

In the charges to this account include the amount of awards of courts or other lawful authority; of all allowances by the utility itself for damages to or destruction of property other than that owned by the utility, and for injuries and deaths of employees and other persons. In addition include such items of expense as contributions to hospitals, transportation of injured persons, fees and expenses of physicians, surgeons and coroners, or a proportion of the salaries and expenses of physicians and surgeons regularly employed by the utility; nurses' and hospital charges, cost of medical and surgical supplies, expenditures for funeral and burial services, the salaries of the utility's investigators and adjusters and their assistants while engaged in settling damage, injury, or death claims which are caused by its gas operations.

If the utility carries a reserve for injuries and damages, charge to this account and credit to account No. 252, "Casualty and Insurance Reserve."

864. INSURANCE—(Class A).

Charge to this account all insurance costs incurred by the utility.

In the charges to this account include premiums paid for fire, casualty, boiler, fidelity, burglar, workmen's compensation, and other insurance; and, in case the utility carries its own insurance risks, the salaries of those employed in its insurance department and all other expenses connected therewith.

If the utility carries all or part of its own insurance risks, charge to this account and credit to account No. 252, "Casualty and Insurance Reserve," that amount which, it is estimated, will, through gradual accumulation, be sufficient to provide for all insurable losses to the property of the utility.

The credit to account No. 252, "Casualty and Insurance Reserve," shall not include any provisions for the expenses of the insurance department.

If the utility carries its own insurance risks it shall so keep the records supporting the entries to this account that it can furnish separate information as to the amount of salaries, supplies, and expenses charged hereto.

865. WELFARE AND PENSIONS—(Class A).

Charge to this account pensions paid to retired employees or representatives of former employees, and expenses in connection therewith; the cost of life and other insurance carried by the utility on employees for the

benefit of such employees or their dependents or heirs; also salaries and expenses incurred in conducting a welfare or pension department and contributions made to such a department.

The records supporting the entries to this account shall be so kept that the utility can furnish separate information as to the amount of salaries, supplies and expenses charged hereto.

866. MISCELLANEOUS GENERAL ADMINISTRATIVE EXPENSES—(Classes A and B).

This account shall include the cost of publishing and distributing annual reports to stockholders, advertising notices of stockholders' meetings dividend notices and other corporate and financial notices of a general character, association dues, contributions for conventions and meetings of the industry, cost of experimental work conducted for the benefit of the industry or the improvement of service, traveling and incidental expenses of general officers and other general office employees, fees of transfer agents, registrars of stock, and fiscal agents, directors' fees, donations to charitable institutions and organizations for promoting social welfare, costs of conducting safety campaigns, and other miscellaneous expenses connected with the general management not otherwise provided for.

GENERAL ADJUSTMENTS—(Class C).

867. UNDISTRIBUTED ADJUSTMENTS—(Classes A and B).

At least once a year an inventory of materials and supplies should be taken and the difference in respect of any particular class of materials and supplies between the ledger and inventory balances should be debited or credited to this account in case it can not be assigned to a specific account.

This account shall also be charged or credited with miscellaneous minor operating items of such a nature that an exact distribution among the accounts to which they are applicable can not be determined. This covers such transactions as receipts from sale of junk.

NOTE—Where materials and supplies have been used in construction as well as in operation a suitable proportion of the shortages or overages disclosed by the inventory may be debited or credited to account No. 366, "Other Expenditures During Construction."

868. DISCOUNT ON MATERIALS AND SUPPLIES—CR.—(Classes A and B).

Credit to this account all discounts which are received through prompt payments for materials and supplies consumed in operation and which can not be applied directly to the invoice cost of such materials and supplies.

869. UTILITY'S NATURAL GAS USED IN OPERATIONS—CR.—(Classes A and B).

Credit to this account the value, determined by schedule rates, of the natural gas that is produced by the utility and is consumed in its operation.

The records supporting the entries to this account shall be so kept that the utility can furnish information as to the amount charged for natural gas used in each functional operation, such as production transmission, and distribution.

870. DUPLICATE MISCELLANEOUS CHARGES—CR.—(Classes A and B).

This account shall include the concurrent credits for all charges which may be made to any operating expense account, except as provided for in account No. 871, "Joint Operating Expenses Transferred—Cr.," in respect of the consumption of gas produced or purchased primarily for resale by the accounting company; also all similar charges in respect of any services rendered for which there is no direct money outlay. This covers such items as gas supplied to a municipality without charge in accordance with franchise requirements; gas furnished to employees as part compensation for their services, and similar service.

This account is optional to the extent that charges of the sort described, not involving any direct money outlay, are not required to be made. If the accounting company desires to make such charges, however, the concurrent credit must be to this account.

871. JOINT OPERATING EXPENSES TRANSFERRED—CR.—(Classes A, B and C).

Credit to this account that portion, which is chargeable to others, of the expenses incurred by the utility in operating any property used in natural gas service for the joint benefit of itself and others under an arrangement for apportioning such expenses on the basis of the relative amounts of benefit to the several participants.

The amount credited to this account shall not include any allowance for profit or return upon the value of such property.

The records supporting the entries to this account shall be so kept that the utility can furnish information as to the name of each party with whom it enters into such an agreement; whether or not it controls, is controlled by or is in any way affiliated with each party; the terms of each agreement; the expenses incurred thereunder as they apply to each functional division of operating expenses in the detail provided in this classification, the portion thereof charged to each party, and the basis of the charge.

872. GAS EXPENSES TRANSFERRED—CR.—(Classes A, B and C).

This account shall include such part of the operating costs borne in the first instance by the accounting company's gas department as are properly chargeable to another co-ordinate department, such as an oil or gasoline department.

This is not intended to prohibit the apportioning of primary accounts between departments, and so far as practicable departmental costs should be determined in that way. There may, however, be cases where it is desirable to assign to other operations a flat percentage of total gas operating expenses or of some group of gas operating expenses or some similar arbitrary amount, and in such case, the credit should be made to this account.

I. OTHER GENERAL EXPENSES

If desired the utility may carry the accounts listed hereunder as clearing or apportionment accounts (under account No. 134) and apportion to the proper fixed capital or expense accounts a proportion of the expenses ordinarily shown in these accounts. If these accounts are used as clearing accounts the basis for the credits thereto shall be frequently adjusted to the

end that the total annual credits will as nearly as is possible equal the annual charges. If these accounts are used as clearing accounts they may be arranged in such sequence as will best serve the needs of departmental accounting.

Any balances remaining at the end of a fiscal year, because of the impossibility of clearing the accounts completely in accordance with due facts, shall be charged or credited to account No. 867, "Undistributed Adjustments," or account No. 366, "Other Expenditures During Construction," as may be appropriate.

In case the company elects to use these accounts as clearing or apportionment accounts, amounts representing the losses incurred by the retirement of such fixed capital as has been charged to accounts Nos. 350, "General Shop Equipment," 351, "General Transportation Equipment," 354, "Drilling and Cleaning Equipment," and 355, "General Tools and Implements," shall be charged to the appropriate clearing accounts. (See also General Instructions and Definitions—Fixed Capital Accounts, Section 14, page 35.)

General Labor—(Class C).

873. Stores Labor—(Classes A and B).

Charge to this account the cost of labor employed by the utility in the operation of its stores department.

In the charges to this account include the cost of the labor of storekeepers, clerks, and employees engaged in unloading, storing and otherwise handling materials and supplies in the storerooms and stock yards.

Exclude from this account maintenance labor.

874. Transportation Labor—(Classes A and B).

Charge to this account the cost of labor employed by the utility in the operation of its stables and garages.

In the charges to this account include the cost of labor of hostlers, drivers, teamsters, and others employed in the utility's stables; and the cost of labor or chauffeurs, their attendants, and other labor employed in the utility's garages.

Exclude from this account maintenance labor.

Shop and Laboratory Labor—(Class B).

875. Shop Labor—(Class A).

Charge to this account the cost of labor employed by the utility in the operation of its shops.

In the charges to this account include the cost of the labor of the superintendent, timekeepers, machinists, blacksmiths, carpenters, and other shop employees.

Exclude from this account maintenance labor.

876. Laboratory Labor—(Class A).

Charge to this account the cost of labor employed by the utility in the operation of its laboratories.

In the charges to this account include the cost of the labor of chemists and all other laboratory employees.

Exclude from this account maintenance labor.

877. Drilling and Cleaning Labor—(Classes A and B).

Charge to this account the cost of labor employed by the utility in the operation of its drilling and cleaning equipment.

Exclude from this account maintenance labor.

General Supplies and Expenses—(Class C).

878. Stores Supplies and Expenses—Classes A and B).

Charge to this account the cost of supplies used and expenses incurred by the utility in the operation of its stores department.

In the charges to this account include the cost of stationery, printed forms, stock record books, and like supplies; the cost of lighting and heating storerooms, water for fire protection and general use, rent paid for storerooms and storage yards; also traveling and other expenses incurred by employees of the utility while engaged in performing services in the operation of the stores department.

879. Transportation Supplies and Expenses—(Classes A and B).

Charge to this account the cost of supplies used and expenses incurred by the utility in the operation of its stables and garages.

In the charges to this account include the cost of water, feed, bedding, blankets, axle grease and other supplies, the cost of shoeing horses and other incidental expenses; the cost of gasoline, oil and other automobile supplies; and other stable and garage expenses such as telephone, heat and light, and similar items.

Shop and Laboratory Supplies and Expenses—(Class B).

880. Shop Supplies and Expenses—(Class A).

Charge to this account the cost of supplies used and expenses incurred by the utility in the operation of its shops.

In the charges to this account include the cost of power, fuel, oil, smithing and other supplies; the cost of lighting and heating the shops, water for general use and fire protection, and similar expenses; also all expenses incurred by the employees of the utility while engaged in the operation of the shops.

881. Laboratory Supplies and Expenses—(Class A).

Charge to this account the cost of supplies used and expenses incurred by the utility in the operation of its laboratories.

In the charges to this account include the cost of chemicals and other supplies; also the cost of light, heat, water, soap, towels, and like items.

882. Drilling and Cleaning Supplies and Expenses—(Classes A and B).

Charge to this account the cost of supplies used, and expenses incurred by the utility in the operation of its drilling and cleaning equipment.

General Maintenance—(Class C).

883. Maintenance of Stores Structures—(Classes A and B).

Charge to this account the cost of labor employed, materials and supplies consumed, and expenses incurred by the utility in making repairs to its general stores structures.

884. Maintenance of Transportation Structures—(Classes A and B).

Charge to this account the cost of labor employed, materials and supplies consumed, and expenses incurred by the utility in making repairs to its stables and garages and buildings appurtenant to them.

Maintenance of Shop and Laboratory Structures—(Class B).

885. Maintenance of Shop Structures—(Class A).

Charge to this account the cost of labor employed, materials and supplies consumed, and expenses incurred by the utility in making repairs to its shop buildings.

886. Maintenance of Laboratory Structures—(Class A).

Charge to this account the cost of labor employed, materials and supplies consumed and expenses incurred by the utility in making repairs to its buildings used for laboratory purposes.

887. Maintenance of Stores Equipment—(Classes A and B).

Charge to this account the cost of labor employed, materials and supplies consumed and expenses incurred by the utility in making repairs to its stores equipment.

In the charges to this account include the cost of repairs to movable counters and shelves, carts, barrows, trucks, derricks, cranes, hoists, other loading and unloading machinery, and other apparatus and appliances used in handling materials and supplies.

888. Maintenance of Transportation Equipment—(Classes A and B).

Charge to this account the cost of labor employed, materials and supplies consumed and expenses incurred by the utility in making repairs to its transportation equipment.

In the charges to this account include the cost of repairs to harness, wagons, apparatus for shoeing horses and repairing harnesses and vehicles; and the cost of repairs to automobiles, bicycles, motorcycles, and other appliances used in connection with the maintenance of stable and garage equipment.

Maintenance of Shop and Laboratory Equipment—(Class B).

889. Maintenance of Shop Equipment—(Class A).

Charge to this account the cost of labor employed, materials and supplies consumed, and expenses incurred by the utility in making repairs to its shop equipment.

In the charges to this account include the cost of repairs to furnaces, boilers, engines, electric generators, other power apparatus provided for operating general shop machinery, machine tools, cranes, hoists, shafting, belting, smithing, equipment other than that used for shoeing horses and repairing vehicles, and other appliances used in connection with the general shops.

890. Maintenance of Laboratory Equipment—(Class A).

Charge to this account the cost of labor employed, materials and supplies consumed, and expenses incurred by the utility in making repairs to its laboratory equipment.

891. Maintenance of Drilling and Cleaning Equipment—(Classes A and B).

Charge to this account the cost of labor employed, materials and supplies consumed and expenses incurred by the utility in making repairs to its drilling and cleaning equipment.

In the charges to this account include the cost of repairs to portable engines, pumps, boilers, drilling cables, rope sockets, swivel wrenches, bailers, and other equipment used for drilling and cleaning natural gas wells.

VALUATION AND DEPLETION ACCOUNTS

The keeping of the following accounts, intended to facilitate the establishment of claims by the utilities for deduction for depletion under the Federal Revenue Acts, is left to the option of each utility. They are embodied in the classification for convenience only, and their use in no way affects any of the other accounts contained therein.

900. VALUATION OF NATURAL GAS DEPOSITS.

Charge to this account and credit to 901, "Surplus from Valuation of Natural Gas Deposits" account the amount representing the value assigned to production system land, natural gas rights, and leaseholds in excess of the cost thereof for the purpose of claiming depletion under the provisions of the Federal Revenue Acts.

901. SURPLUS FROM VALUATION OF NATURAL GAS DEPOSITS.

Credit to this account the amount charged to 900, "Valuation of Natural Gas Deposits" account representing the value assigned to production system land, natural gas rights and leaseholds in excess of the cost thereof for the purpose of claiming depletion under the provisions of the Federal Revenue Acts.

902. DEPLETION OF NATURAL GAS DEPOSITS.

Charge to this account and credit to 903, "Reserve for Depletion of Natural Gas Deposits" account, that amount which it is estimated will through regular application provide an adequate reserve to cover the depletion in the value assigned to the utility's production system land, natural gas rights and leaseholds, recorded in 900, "Valuation of Natural Gas Deposits" account.

At the end of each accounting period, credit to this account and charge to 901, "Surplus from Valuation of Natural Gas Deposits" account the balance of this account.

903. RESERVE FOR DEPLETION OF NATURAL GAS DEPOSITS.

Credit to this account and charge to 902, "Depletion of Natural Gas Deposits" account that amount which it is estimated will through regular application provide an adequate reserve to cover the depletion in the value assigned to the utility's production system land, natural gas rights, and leaseholds, recorded in 900, "Valuation of Natural Gas Deposits" account.

BALANCE SHEET ACCOUNTS

PRESCRIBED FOR "CLASS D" NATURAL GAS UTILITIES

The following Balance Sheet Accounts are prescribed for "Class D" utilities. Some of these accounts are the same in the title and substance as certain balance sheet accounts prescribed for "Class A," "Class B" and "Class C" utilities. Others are summary accounts of certain other "Class A," "Class B" and "Class C" balance sheet accounts.

Where a balance sheet account prescribed for a "Class D" utility is identical in the title and substance with one prescribed for the other classes of utilities the number of the account with which it is identical is referred to under the title of the "Class D" account. In like manner where the balance sheet account prescribed for a "Class D" utility is a summary account of certain accounts prescribed for the other classes of utilities the numbers of each of the accounts of which the "Class D" account is a summary account is referred to under the title of the "Class D" account. By consulting the accounts referred to by number under any of its balance sheet accounts a "Class D" utility can determine the items that it should charge or credit to such account.

ASSET ACCOUNTS

1. FIXED CAPITAL.
   The content of this account is described in account No. 101.

2. INVESTMENTS IN OTHER PHYSICAL PROPERTY.
   The content of this account is described in account No. 102.

3. CASH.
   The content of this account is described in account No. 111.

4. NOTES RECEIVABLE.
   The content of this account is described in account No. 112.

5. ACCOUNTS RECEIVABLE.
   The content of this account is described in account No. 113.

6. INTEREST AND DIVIDENDS RECEIVABLE.
   The content of this account is described in account No. 114.

7. MARKETABLE SECURITIES.
   The content of this account is described in account No. 115.

8. MATERIALS AND SUPPLIES.
   The content of this account is described in account No. 116.

9. PREPAYMENTS.
   The content of this account is described in account No. 117.

10. OTHER CURRENT ASSETS.
    The content of this account is described in accounts Nos. 118 and 119.

11. INVESTMENTS IN AFFILIATED COMPANIES.
    The content of this account is described in account No. 121.

12. MISCELLANEOUS INVESTMENTS.
The content of this account is described in account No. 122.

13. SINKING AND SPECIAL FUNDS.
The content of this account is described in accounts Nos. 123, 124, 125 and 126.

14. SUSPENSE AND ADJUSTMENT ACCOUNTS.
The content of this account is described in accounts Nos. 131 to 143, inclusive.

15. PROFIT AND LOSS—DEFICIT.
The content of this account is described in account No. 150.

LIABILITY ACCOUNTS

16. CAPITAL STOCK.
The content of this account is described in account No. 201.

17. PREMIUM ON CAPITAL STOCK.
The content of this account is described in account No. 202.

18. CAPITAL STOCK SUBSCRIBED.
The content of this account is described in account No. 203.

19. NON-CORPORATE PROPRIETORSHIP.
The content of this account is described in accounts Nos. 207 and 208.

20. BONDS.
The content of this account is described in account No. 211.

21. RECEIVERS' CERTIFICATES.
The content of this account is described in account No. 212.

22. NOTES PAYABLE.
The content of this account is described in account No. 221.

23. ACCOUNTS PAYABLE.
The content of this account is described in account No. 222.

24. CUSTOMERS' DEPOSITS.
The content of this account is described in account No. 223.

25. OTHER CURRENT LIABILITIES.
The content of this account is described in accounts Nos. 224 to 227, inclusive.

26. TAXES ACCRUED.
The content of this account is described in account No. 231.

27. OTHER ACCRUED LIABILITIES.
The content of this account is described in accounts Nos. 232 and 233.

28. ADVANCES FROM AFFILIATED COMPANIES.
The content of this account is described in account No. 241.

29. RESERVE FOR AMORTIZATION OF INTANGIBLE CAPITAL.
The content of this account is described in account No. 250.

30. RETIREMENT RESERVE FOR STRUCTURES AND EQUIPMENT.
The content of this account is described in account No. 251.

31. OTHER RESERVE ACCOUNTS.
The content of this account is described in accounts Nos. 252, 253, 254, 256 and 257.

32. CONTRIBUTIONS FOR EXTENSION.
The content of this account is described in account No. 255.

33. MISCELLANEOUS UNADJUSTED CREDITS.
The content of this account is described in account No. 261.

34. CORPORATE SURPLUS.
The content of this account is described in account No. 270.

FIXED CAPITAL ACCOUNTS

The fixed capital accounts for "Class D" utilities are the same as the fixed capital accounts prescribed for "Class A" utilities. These accounts are numbered 301 to 369 inclusive, and the text will be found on pages 36 to 50 inclusive. All "Class D" utilities shall keep these accounts in so far as they are needed to properly classify fixed capital.

INCOME ACCOUNTS

PRESCRIBED FOR "CLASS D" NATURAL GAS UTILITIES

The following Income Accounts are prescribed for "Class D" utilities.

Some of these accounts are the same in title and substance as certain "Class A" income accounts. Others are summary accounts of certain other "Class A" income accounts.

Where an income account prescribed for a "Class D" utility is identical in title and substance with one prescribed for "Class A" utilities the number of the "Class A" account with which it is identical is referred to under the title of the "Class D" account. In like manner where an income account prescribed for a "Class D" utility is a summary account of certain "Class A" income accounts the number of each of the "Class A" accounts of which the "Class D" account is a summary account is referred to under the title of the "Class D" account. By consulting the "Class A" accounts referred to by number under any of its income accounts, a "Class D" utility can determine the items that it should charge or credit to such account.

INCOME ACCOUNTS

40. OPERATING REVENUES.
The content of this account will be found in account No. 401.

41. Operating Expenses.
The content of this account will be found in account No. 402.

42. Retirement Expense.
The content of this account will be found in account No. 403.

43. Amortization of Intangible Capital.
The content of this account will be found in account No. 404.

44. Uncollectible Bills.
The content of this account will be found in account No. 405.

45. Taxes.
The content of this account will be found in account No. 406.

46. Rent for Lease of Public Service Property.
The content of this account will be found in account No. 411.

47. Rent From Lease of Public Service Property.
The content of this account will be found in account No. 412.

48. Gasoline Department Operating Revenues.
The content of this account will be found in account No. 421.

49. Gasoline Department Operating Expenses.
The content of this account will be found in account No. 422.

50. Oil Department Operating Revenues.
The content of this account will be found in account No. 431.

51. Oil Department Operating Expenses.
The content of this account will be found in account No. 432.

52. Other Corporate Operating Revenues.
The content of this account will be found in account No. 441.

53. Other Corporate Operating Expenses.
The content of this account will be found in account No. 442.

54. Miscellaneous Rent Revenues.
The content of this account wil lbe found in account No. 451.

55. Interest on Long Term Debt Owned.
The content of this account will be found in account No. 452.

56. Miscellaneous Interest Revenues.
The content of this account will be found in account No. 453.

57. Dividend Revenues.
The content of this account will be found in account No. 454.

58. Income From Special Funds.
The content of this account will be found in account No. 455.

59. Miscellaneous Non-operating Revenues.
The content of this account will be found in account No. 456.

60. Non-operating Revenue Deductions.
The content of this account will be found in account No. 457.

61. Interest on Long Term Debt.
The content of this account will be found in account No. 461.

62. Miscellaneous Interest Deductions.
The content of this account will be found in account No. 462.

63. Amortization of Debt Discount and Expense.
The content of this account will be found in account No. 463.

64. Amortization of Premium on Debt—Cr.
The content of this account will be found in account No. 464.

65. Miscellaneous Amortization Chargeable to Income.
The content of this account will be found in account No. 465.

66. Miscellaneous Deductions From Gross Corporate Income.
The content of this account will be found in account No. 466.

67. Sinking Fund Appropriations of Net Income.
The content of this account will be found in account No. 471.

68. Dividend Appropriations of Net Income.
The content of this account will be found in account No. 472.

69. Miscellaneous Appropriations of Net Income.
The content of this account will be found in account No. 473.

STANDARD FORM OF PROFIT AND LOSS ACCOUNT

The profit and loss accounts for "Class D" utilities are the same as those prescribed for "Class A" utilities. The text of these accounts is contained in accounts Nos. 501, 502, 503 and 504.

I. OPERATING REVENUES

70. PRIVATE SALES.
The content of this account will be found in accounts Nos. 600, 601, 602, 606, 607, 608 and 609.

71. PUBLIC SALES.
The content of this account will be found in accounts Nos. 605, 612 and 613.

72. SALES TO OTHER NATURAL GAS UTILITIES FOR RESALE.
The content of this account will be found in accounts Nos. 603, 604, 610 and 611.

73. COMMISSIONS ON OTHERS' GAS.
The content of this account will be found in account No. 614.

74. CUSTOMERS' DISCOUNTS FORFEITED AND PENALTIES IMPOSED.
The content of this account will be found in account No. 615.

75. CASH DISCOUNTS AND ALLOWANCES TO CUSTOMERS—DR.
The content of this account will be found in account No. 616.

76. RENT FROM GAS APPLIANCES.
The content of this account will be found in account No. 617.

77. REVENUE FROM TRANSPORTATION OF GAS.
The content of this account will be found in account No. 618.

78. RENT FROM PROPERTY USED IN GAS OPERATIONS.
The content of this account will be found in account No. 619.

79. MERCHANDISE AND JOBBING.
The content of this account will be found in account No. 620.

80. MISCELLANEOUS OPERATING REVENUES.
The content of this account will be found in account No. 621.

II. OPERATING EXPENSES

81. PRODUCTION SYSTEM LABOR.
The content of this account will be found in accounts Nos. 750, 751, 752, 753 and 754.

82. PRODUCTION SYSTEM SUPPLIES AND EXPENSES.
The content of this account will be found in accounts Nos. 755 to 760, inclusive.

83. GAS WELL ROYALTIES.
The content of this account will be found in account No. 761.

OPERATING EXPENSES—CLASS D

84. RENTAL ON UNOPERATED LEASES.
The content of this account will be found in account No. 762.

85. MAINTENANCE OF PRODUCTION SYSTEM PROPERTIES.
The content of this account will be found in accounts Nos. 763 to 771, inclusive.

86. NATURAL GAS PURCHASED FOR RESALE.
The content of this account will be found in accounts Nos. 772 to 776, inclusive.

87. TRANSMISSION AND DISTRIBUTION SYSTEM LABOR.
The content of this account will be found in accounts Nos. 777, 778, 779, 780, 781, 797, 798, 799, 800, 801, 802, 803, 820, 821 and 822.

88. TRANSMISSION AND DISTRIBUTION SYSTEM SUPPLIES AND EXPENSES.
The content of this account will be found in accounts Nos. 782, 783, 784, 785, 786, 787, 788, 804, 805, 806, 807, 808, 809, 823, 824 and 825.

89. MAINTENANCE OF TRANSMISSION AND DISTRIBUTION SYSTEM PROPERTIES.
The content of this account will be found in accounts Nos. 789, 790, 791, 792, 793, 794, 795, 796, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 826, 827, 828 and 829.

90. MANAGEMENT FEES AND EXPENSES.
The content of this account will be found in account No. 848.

91. SALARIES OF GENERAL OFFICERS.
The content of this account is described in account No. 849.

92. SALARIES OF GENERAL OFFICE CLERKS.
The content of this account is described in account No. 850.

93. SALARIES AND WAGES OF OTHER GENERAL EMPLOYEES.
The content of this account will be found in accounts Nos. 830, 831, 832, 833, 834, 837, 838, 839, 840, 841, 842, 858, 873, 874, 875, 876 and 877.

94. GENERAL SUPPLIES AND EXPENSES.
The content of this account will be found in accounts Nos. 835, 836, 843, 844, 845, 846, 851, 852, 853, 854, 859, 862, 863, 864, 865, 866, 867, 868, 869, 870, 871, 872, 878, 879, 880, 881 and 882.

95. NATURAL GAS FRANCHISE REQUIREMENTS.
The content of this account will be found in account No. 861.

96. MERCHANDISING AND JOBBING LOSS.
The content of this account will be found in account No. 847.

97. MAINTENANCE OF GENERAL PROPERTIES.
The content of this account will be found in accounts Nos. 855, 856, 857, 860, 883, 884, 885, 886, 887, 888, 889, 890 and 891.

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